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Malaysia's Relations with Saudi Arabia in Smaller States' Organisations: The Case of the OIC

ABSTRAK

Tidak dapat dinafikan bahawa negara-negara kecil ataupun negara-negara yang sedang membangun, terutamanya di rantau Asia, Afrika dan Amerika Latin, berhadapan dengan cabaran di pentas politik antarabangsa. Cabaran tersebut adalah pelbagai, sama ada berbentuk persaingan antara Amerika Syarikat dan bekas Soviet Union semasa era Perang Dingin, jurang perbezaan ekonomi antara negara maju dan negara mundur, pertentangan fahaman antara agama dan ideologi sekular, dan lain-lain lagi. Untuk menghadapi semua cabaran ini, negara-negara kecil bersatupadu membentuk beberapa buah organisasi yang dianggap mampu menjaga kepentingan mereka di dalam sistem politik antarabangsa. Ini termasuklah Non-Aligned Movement, Group of 77 dan Pertubuhan Islam Sedunia (OIC). Dengan tertubuhnya organisasi negara-negara kecil ini juga adalah diharapkan hubungan antara mereka bertambah erat dan makmur. Bagi menganalisis persoalan ini, kami akan lebih memfokus bagaimana keahlian Malaysia dan Arab Saudi dalam Pertubuhan Islam Sedunia (OIC) berupaya menjaga kepentingan kedua-dua buah negara dan juga sejauhmana keanggotaan tersebut telah meningkatkan lagi hubungan antara mereka di pentas politik antarabangsa.

Kata-kata kunci: negara-negara sedang membangun, cabaran politik antarabangsa, serta hubungan Malaysia dan Arab Saudi dalam pertubuhan OIC.



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INTRODUCTION

Malaysia and Saudi Arabia are one of the small and developing states in the international political system. Hence, they cannot avoid themselves from being influenced by the pressures or challenges of the external environment (the systemic factor) which specifically refer to the major pattern or issues of the international political system since the post-World War II. These include the superpower rivalries between the United States and the former Soviet Union, the North-South debates on economic development, the demand for religious solidarity among Muslim countries, and others. In facing these pressures and challenges both Malaysia and Saudi Arabia have to participate or co-jointly form several small states' organizations like the Non-Aligned Movement (NAM), the Group of 77, the Organisation of Islamic Conference (OIC), the Organization of Petroleum Exporting Countries (OPEC),¹ The Group of 15,² and others,³ with the hope that these organizations would safeguard their "interests" as well as making the degree of their relations more intimate.

Therefore it is the main task of this paper to specifically examine to what extent the membership of Malaysia and Saudi Arabia in the Organisation of Islamic Conference (OIC) could safeguard their interests vis-à-vis the pressures of the systemic factor, and how it may affect the degree of both countries' relations in the international system. The main reason for choosing OIC is because it is one of the major small states' organizations in the international system, and it is largely formed to express their "unhappiness" over the running of the world political and socio-economic system. On top of that, Malaysia and Saudi Arabia have shown dynamic interests in upholding the mission and vision of this organization. Nevertheless, the study assumes that since the nature of OIC is more on a multilateral level, not bilateral, and it mostly discusses much bigger issues which are beyond the scope of bilateral relations between two countries, the participation of Malaysia and Saudi Arabia in this organization would not further prosper their relations. Moreover both countries' affiliation

¹Saudi Arabia was one of the co-founders of OPEC. Malaysia, however, is not a member of OPEC. See Al-Chalabi (1980:67).

²The Group of 15 was a sub-group under the Group of 77. Malaysia proposed the formation of this group in 1988. The Kingdom of Saudi Arabia is not the member of the Group of 15. See Camroux (1994:24).

³For some lists of international organizations including smaller states, see, for example, Office of Personnel Management, the United States, available at <http://www.opm.gov/employ/internat/LIST.asp> (20/3/2008).

is more towards gaining wider recognition and forging closer socio-economic co-operation with other smaller countries. Before explaining further, the study would first like to analyze the early emergence of the OIC, and will continue by elaborating on the affiliation of Malaysia and Saudi Arabia in this organization in facing challenges in the international system, as well as its impact upon their relations.

THE EMERGENCE OF THE OIC

The emergence of the Organisation of the Islamic Conference (OIC) in the early 1970s has been generally connected with the continuous response among Muslim countries or several individual Muslim scholars, through the Pan-Islam movement,⁴ to the dominant feature of secularism in the international system which had superseded the Islamic Caliphate system roughly about 400 years ago⁵ (post-War World II, the international secular system was largely dominated by two superpower rivalries between the US-democratic bloc, and the former Soviet-socialist bloc)⁶ and as a result of the abolition of the Caliphate in 1923 (Al-Ahsan, 1988:11; Choudhury, 1993:182-183; Aykan, 1994:xi; and Gomathi A/P Vanathan, 1995/1996:17) by Mustafa Kemal Atartuk (1881-1938) who wholly adopted secularism in his administration.⁷ Added to this was the tendency of the Muslim countries which, due to the overwhelming feature of secularism in the international system, were inevitably forced to practice some elements of secularism in their external relations, especially with other Muslim counterparts including those aligned with neutral states.

These Muslim countries implemented non-interference in their internal matters, pursued secular national interests over religious

⁴Pan-Islamism was initially linked to the effort of Sultan Abdul Hamid II (1876-1909) to consider "Sultan" as the legitimate Caliph among Muslim communities. However, the individual Muslim scholar responsible to the birth of Pan-Islam was Jamaluddin al-Afghani (1838-1897). The general character of Pan-Islamism was the realization of the Islamic ideal, the unity of the world in Islam, and the central direction under a leader (*Imam*) of the world community. Pan-Islamism was also as regarded a common action against the non-Islamic world or as the impact of the Occident. See Lee (1942:279-280 and 286); and Keddie (1969:18-20).

⁵Ali L. Karaosmanoglu (1984:105) and David George (1984:77) argued that the secularization of international political system began with the emergence of the European state system resulted from the Peace of Westphalia Treaty in 1648.

⁶AbdulHamid 'A. AbuSulayman (1987:xix-xxi) addressed the rivalry of two superpowers that dominated the feature of international system.

⁷AbdulHamid 'A. AbuSulayman (1987:134) and Samuel P. Huntington (1996:73-74) mentioned that the effort of Mustafa Kemal Atartuk or *Kemalism* in secularizing the Ottoman Turkey was to achieve modernization (by embracing Westernization) through the abandonment of the indigenous culture (Islamic culture).

principles like the joining of Turkey, Iran, Iraq and Pakistan in CENTO or the Baghdad Pact in 1955 (which caused division to Arab-Muslim unity, especially between Egypt, and these four countries), Saudi Arabia's involvement in the Yemeni Civil War (for instance, between 1956 and 1958) for the sake of the Kingdom's border with Yemen (Calvocoressi, 1991:377), the Iran-Iraq War territorial dispute (1980-1988), the Iraqi invasion of Kuwait in 1990 (although these two cases occurred after the formation of the OIC but it showed that Muslim countries still concentrated more on their secular national interests rather than on religious demands), and others.⁸ In order to address these issues, and more importantly to fill the gap created by the elimination of Islamic Caliphate which was so integral to the Muslim community (Al-Ahsan, 1988:11), various meetings and conferences were held from the 1920s to the early 1960s by some Muslim countries, notably Egypt, Libya, Morocco, Saudi Arabia, Malaya (later the Federation of Malaysia), Tunisia, Morocco, Indonesia and others, to discuss the possibility of uniting all Muslim communities under one single leadership (*Ibid.*:11-12).

Among those conferences or initiatives taken were, for example, the first Islamic Congress in Cairo in May 1926, followed by King Abdul Aziz Ibn Saud's Conference in Mecca in June 1926, the Jerusalem Conference in December 1931, the International Islamic Economic Conferences in Pakistan and Iran in 1949 and 1950 respectively, Tunku Abdul Rahman's call for a Commonwealth of all Muslim countries in 1961, King Feisal's tours to several Islamic countries to promote his Pan-Islamism in the early 1960s, the setting up of the Muslim World League (*Rabitah al-'Alam al-Islami*) in 1962, and others (Al-Ahsan, 1988:11-17; Choudhury, 1993:183-186; Ahmad Baba, 1994:24-51; and Gomathi A/P Vanathan, 1995/1996:2-13). Nonetheless, owing largely to ideological political differences, specifically between Jamal Abdel Nasser of Egypt, and King Feisal of Saudi Arabia (Ahmad Baba, 1994:39-40), and because most of the Muslim countries had yet to achieve independence, all these initiatives were futile in driving all Muslim countries to revive the Caliphate or, at least, to form an International Islamic Organization.

⁸The early abandonment of the *Shari'a* and the practice of secular international law in the Muslim world could be referred to the Ottoman's peace treaty with the Hapsburg Empire, and the Venetian Republic at the Congress of Carlowitz in 1699. See George (1984:75 and 89); and Calvocoressi (1991:361-370) for Iraqi invasion of Kuwait.

It was only after the defeat of the Arabs, led by Egyptian Premier Jamal Abdel Nasser, in the Arab-Israeli War of 1967, where the attitude of Arab Muslim countries in particular began to change, and simultaneously following the fire damage to Al-Aqsa Mosque on 21 August 1969, that King Hassan II of Morocco, King Feisal of Saudi Arabia, and other Muslim counterparts were prompted to unite against the burning of Al-Aqsa Mosque as well as inaugurating the first Islamic Summit in Rabat, Morocco on 22-25 September 1969 (Al-Ahsan, 1988:17-18; Abu Bakar, 1990:83; Choudhury, 1993:186-187; Ahmad Baba, 1994:53-55; and Husain, 1998:18), which also eventually cleared the way for the formation of an International Islamic Organization called the "Organisation of the Islamic Conference" in 1972 (Al-Hasan, 1988:19).

The first Islamic Summit in Rabat, Morocco in 1969, which was attended by 24 Muslim countries⁹ (including Malaysia and Saudi Arabia), and the PLO (Palestinian Liberation Organisation) as an observer, indirectly provided a platform for participating Muslim countries to organize frequently, and more systematically, a series of Islamic conferences between them, such as to hold an Islamic Summit every three years, and an Islamic Conference of Foreign Ministers once a year.¹⁰ Besides that, the Muslim member countries had formulated the Charter of OIC in 1972 which specifically focused on the issue of the Palestinian people as well as the calls for the promotion of Islamic solidarity (in political, and socio-religious-economic fields) among Muslim countries, the respect for sovereignty, and self-determination, the upholding of international peace, the elimination of racial segregation and colonialism, and the prohibition of the use of force against the territorial integrity, national unity or political independence of any member state.¹¹ The membership of the OIC has also grown from 24 countries in 1969 to 57

⁹In other reports there were 25 Muslim countries which attended the conference including the Muslim Community of India. Others were Afghanistan, Algeria, Chad, Guinea, Indonesia, Iran, Jordan, Kuwait, Lebanon, Libya, Malaysia, Mali, Mauritania, Morocco, Niger, Pakistan, Saudi Arabia, Somalia, Popular Republic of Southern Yemen, Sudan, Tunisia, Turkey, United Arab Republic (Egypt & Syria), and the Yemen Arab Republic. See OIC (1969), available at <http://www.oic-oci.org/english/fm/All%20Download/Frm.01.htm> (20/3/2008); and Foreign and Commonwealth Office, London (1981a) in *British Public Record Office*, UK (FO 973/360:1).

¹⁰See, for example, OIC (1969) available at <http://www.oic-oci.org/english/fm/All%20Download/Frm.01.htm> (20/3/2008); and Foreign and Commonwealth Office, London (1981b) in *British Public Record Office*, UK (FO 973/145:3).

¹¹See Al-Ahsan (1988:23-24); OIC (2008b) available at http://www.oic-oci.org/english/main/oic_in_brief.htm (20/3/2008:1-2); and Foreign and Commonwealth Office, London (1984) in *British Public Record Office*, UK (FO 973/360:1).

member countries in the late 1990s. The rapid increase in OIC membership is contributed to by the admission of a few Muslim newly independent states like Albania, which joined the OIC in 1992, Azerbaijan in 1992, Kazakhstan in 1995, Tajikistan in 1992, Turkmenistan in 1992, and Uzbekistan in 1996.¹² As the major representative of all Muslim countries, the OIC has persistently attempted to pursue and promote the well-being of Muslim member countries, as well as all the Muslim communities as a whole, in facing the problems and challenges (especially for the issue of the Palestinian people) in the international political system.

THE ROLE OF THE OIC IN SAFEGUARDING MUSLIM COUNTRIES

Ideally, it cannot be denied that the nature of the OIC, as has been the endeavour of its members, is to trace back to the era of the Prophet Muhammad (peace be upon him), and the Caliphate of *Al-Rasyidin*, where the main characteristic of the Muslim community or *Ummah* of that era was subjected to the Al-Qur'an and Al-Sunnah. In other words, the OIC has tried to exhibit itself as the manifestation of *Ummah* in the modern international system after the abolition of the Islamic Caliphate. Nevertheless, since the modern international system, to some extent, has been fundamentally circumscribed by the principle of secularism (particularly in the concept of nation-state, and state sovereignty), as was argued by David George (1984:72-73), where all religious elements were eliminated, the OIC's *Ummatic* conception is difficult to apply in the modern international system. This inevitably could be related to the vast difference in the Caliphate's and the OIC's approaches to the notion of sovereignty. The former was certainly considered by *Ummah* as the supreme political authority to implement the teachings of Islam, however, in the OIC, Muslim countries do not "exclusively" submit their state sovereignty, even as indicated by 'Abdullah Al-Ahsan (1988:48); member states are, in fact, stronger authorities than the OIC itself. On top of that, since the birth of the OIC has appeared in the modern international system, where the Islamic Caliphate no longer exists, OIC members have to acknowledge the dominant pattern of secularism and state sovereignty in the international system, and it simultaneously indicates that

¹²The latest country joined OIC was the Republic of Cote d'Ivoire in 2001. See OIC (2008c) available at <http://www.oic-oci.org/english/main/member-States.htm> (20/3/2008:1-3). Meanwhile Al-Ahsan (1988:45) only mentioned the increase of OIC membership from 24 to 46 members between 1969 and 1986.

“Muslim countries’ relations” was probably one of the sub-systems that formed the big umbrella of the modern international system.

The question now is how is the OIC as the key agent of Muslim countries, to react in safeguarding the interests of its members and especially in regards to the membership of Malaysia and Saudi Arabia in the organization, to face the challenges of the modern international system? As was previously mentioned, although the OIC theoretically attempted to portray itself as an organization that upholds Islamic teachings, in practical terms it is faced with the complex sovereignty of its members which are composed of various forms of government ranging from traditional monarchy to democratic, military, and autocratic regimes. This is the most noticeable obstacle for the OIC where it cannot surpass the sovereignty of its members, and heavily depends on them to implement its decisions. Moreover, unlike the Islamic Caliphate which had supreme authority to implement *Shari’a* (divine law), for instance *Saidina* Abu Bakr (the first Caliph) was able to implement the *Shari’a* by fighting against some tribes of Arabia who refused to pay *zakah*¹³ after the death of the Prophet Muhammad (peace be upon him), the OIC cannot implement *Shari’a* among its members (or even the larger Muslim community) because their membership in the organization is based upon voluntary submission. The OIC does not possess political authority as the Caliphate did. It mainly relies upon mutual consultation among its members which in some situations makes it difficult to achieve consensus in the organization (Al-Hasan, 1988:48).

Therefore, it seems that the OIC has limited role in safeguarding the interests of its member countries as it does not have the capacity to overrule their sovereignty, and it is up to its members to maintain the sense of Islamic solidarity in the OIC (Al-Hasan, 1988:48-51). Instead, the role of the OIC is more concentrated on giving critical responses to some of the Islamic issues (this is parallel with its inception to react to the burning of Al-Aqsa Mosque in 1969), like the Palestinian people, the Soviet invasion of Afghanistan, the Iran-Iraq War, Iraq-Kuwait War, and also to act as a mediator between two conflicting Muslim countries (Aykan, 1994:ix).¹⁴

¹³*Zakah* is the third pillar of Islam. It is the obligatory of sharing of wealth with the poor and the community at an annual rate, of appropriated wealth above a certain minimum. See Al-Ahsan (1988:48), note 2 in this book.

¹⁴Thus, OIC is normally considered as a political forum for Muslim countries to primarily concerned with consolidating cooperation among its members on various Arab-Muslim issues, including the Palestinian issue.

MALAYSIA AND SAUDI ARABIA IN THE OIC

On the membership of Malaysia and Saudi Arabia in the OIC, both countries have played significant roles in promoting and supporting the vision of the organization among their Muslim counterparts and the world at large. Yet, whether Malaysia's and Saudi Arabia's participation in the OIC can safeguard their interests as "Muslim countries" in the modern international system, is a complex question to be answered for the OIC itself, as discussed before, faces some limitations, specifically in the question of its members' sovereignty and their own national interests, which quite often contrast with the principles of the OIC, and also it lacks Pan-Islam unity (for instance, the division between Sunni-Shiite, especially in the Muslim-Arab world).

What is more obvious, however, even though the initial establishment of the OIC emphasizes the concept of *Ummah* (which is different to the notion of nation-state and state sovereignty), is that its members are composed of a number of states (irrespective of what kind of governments they are) or "Muslim countries", have communally (although not all members) been absorbed into one of the basic features of the modern international system, namely the "state system". As Malaysia and Saudi Arabia are among the states (that could be classified as moderate Muslim countries) in the modern international system, they have in fact already been safeguarded by jointly integrating with other states, especially with those influential states which they believe might provide the basic needs. For instance, in security affairs, Malaysia signed a military agreement with Britain through the Anglo-Malayan Defence Agreement or AMDA (Abu Hassan, 2003:59-66), while the Kingdom of Saudi Arabia had close military operations with the US, especially in Dhahran, Saudi Arabia¹⁵ in the system that they have lived in even before the formation of the OIC.¹⁶

By becoming members of the OIC, rather than to preserve both countries' interests in the modern international system, they are rather consolidating their image in the Muslim world where, through the intimate co-operation with other Muslim countries within the OIC and constantly supporting several Muslim issues, the survival of

¹⁵Now, U.S. Airforce in Dhahran, Saudi Arabia has become King Abdul Aziz Air Base (KAAB). See Willetts (2000:23 and 51); Vassiliev (2000:326); and Global.security.org. (2008) available at <http://www.globalsecurity.org/military/facility/dhahran.htm> (20/3/2008).

¹⁶As had been argued by Hasan Moinuddin (1987:54) that the acceptance of international law by Islamic state (or Muslim countries) depends wholly and solely upon them.

Malaysia and the Kingdom of Saudi Arabia will be prolonged into the future. Besides that, equipped with better economic conditions compared to other Muslim countries like Afghanistan, Bangladesh, Maldives, Mali and other Muslim countries which can be categorized as “least developed”,¹⁷ Malaysia, and Saudi Arabia are instead, playing the role as the members that are prominently “looking after” the organization by financially adhering to contributing annually to the OIC budget.¹⁸

Moreover, more importantly, the membership of Malaysia and Saudi Arabia in the OIC, can be closely linked to the Islamic challenges that Malaysia and Saudi Arabia are facing, both at the domestic level and the regional level, especially for the Kingdom which is not only concerned with the Hashemite descendants at home, but also among its Arab neighbours including the Hashemite Kingdom of Jordan, and Morocco as well as with other Arab countries like Iran, Egypt, and Libya which are also vying for the Islamic leadership.¹⁹ For the Malaysian government (led by UMNO or United Malays National Organization, as one of political parties of *Barisan Nasional* or “National Coalition” that formed the government), its affiliation with the OIC could be more relevant to cope with local Islamic challenges which undoubtedly come from its traditional long-time rival, the Islamic Party or *Parti Islam Se-Malaysia* (PAS), and the growing Islamic resurgence propagated by a few Islamic *Dakwah* groups in Malaysia since the 1970s.

MALAYSIA’S RELATIONS WITH SAUDI ARABIA IN THE OIC

It is undeniable that the affiliation of Malaysia and Saudi Arabia in the OIC since the early 1970s has opened up more opportunities for both countries to interact beyond the issues of pilgrimage and education which commonly illustrated relations between these two

¹⁷Malaysia is classified as “middle-income country”, while Saudi Arabia as “oil-rich producing country”. See Hassan (2003:52-87).

¹⁸According to Mr. Sazali Mustafa Kamal, Malaysia and Saudi Arabia are the most consistent members in contributing some financial assistance to the OIC. Both countries contribute approximately 30 per cent of the OIC’s total budget, with 8 per cent from Malaysia, and 22 per cent from Saudi Arabia. Interview with Mr. Sazali Mustafa Kamal, Assistant Secretary, Organization of the Islamic Conference (OIC), 10.00-11.00am, Ministry of Foreign Relations, Wisma Putra, Putrajaya, Malaysia, April 8, 2003. See also Al-Ahsan (1988:20).

¹⁹Saudi-Hashemite rivalry can be seen back into the history of the establishment of the Kingdom of Saudi Arabia, and the contest of Islamic leadership between Saudi Arabia, and other influential Arab-Muslim states like Egypt (particularly during the era of Jamal Abdel Nasser), Iran (Khomeini’s revolution), and others.

countries during the 1950s and 1960s (Boyce, 1968:175; and Abdullah Ahmad, 1984:109). Malaysia's preliminary interaction with the Kingdom of Saudi Arabia in the OIC possibly began with the appointment of Tunku Abdul Rahman (the first former Malaysian Prime Minister) as the first General Secretary of the OIC and who received strong support from King Feisal of Saudi Arabia in the period of his visit to Malaysia in 1970.

In the same years that he was appointed as the OIC Secretary, Tunku Abdul Rahman relinquished his post as the Malaysian Premier, and the Malaysian government, especially under the leadership of Tun Abdul Razak, took advantage of the personal relations formed between Tunku Abdul Rahman, and King Feisal, by starting to gain financial aid from the Kingdom to fund several developmental projects in Malaysia (Ministry of Foreign Affairs, 1974). Under the reign of the late Tun Hussein Onn and Dr. Mahathir Mohamad (but only in the early 1980s), the Malaysian government continued to receive more financial aid from Saudi Arabia.²⁰ Even though it could be said that the flow of Saudi aid to Malaysia was the outcome of the formal visits by the Malaysian leaders, in some ways the affiliation of both countries, as they were among the co-founders, in the OIC had paved the way for Malaysia to receive the Saudi aid in developing its economic infrastructure.²¹

Besides that, through the OIC, Malaysia also received some financial assistance from the Islamic Development Bank (IDB) to finance economic programs as well as to build some academic institutions. The establishment of the IDB, which is the major affiliated financial organ of the OIC, in Jeddah, Saudi Arabia in 1975 was initially proposed by Tunku Abdul Rahman to King Feisal to help in uniting the economies of the OIC members.²² Both Malaysia and Saudi Arabia were among the first contributors of IDB accounts. Malaysia's

²⁰See "Lawatan Rasmi ke Arab Saudi: Perjanjian Kerjasama Kebudayaan dan Saintifik telah ditandatangani, May 23, 1976" in *Rekod Pandang dan Dengar: National Archive of Malaysia* (2001/0043836, G.14448); and Ministry of Finance (1986:151).

²¹According to Anuar Kasman (1996:4), Malaysia was among the first Muslim country to receive project financing from the Saudi Fund for Development (SFD).

²²At the beginning of the establishment of the IDB, most of the Arab countries were less supportive of Tunku Abdul Rahman's idea. However, when Tunku Abdul Rahman toured a number of Arab countries in 1974, such as Saudi Arabia, Kuwait, United Arab Emirates, Egypt and Libya, most of them believed that the IDB could help Muslim countries to gain more capital for their economic development. See Gomathi A/P Vanathan (1995/1996:102-103); "Islamic Bank: Tunku Off to Brief Arabs" in *Malay Mail* [March 6, 1974]. For further details on IDB see, for instance, Al-Ahsan (1988:37-38); and Meenai (1989:1-22).

contribution to the IDB was roughly around US\$ 40 million or RM 120 million (Gomathi A/P Vanathan, 1995/1996:107), whereas the Kingdom is among the biggest contributors to the bank, approximately representing 25.5 per cent or US\$ 536,4440,000 million of the total IDB accounts.²³ Amid good and steady relations with the Kingdom of Saudi Arabia, as one of the largest contributors to the IDB, and the significant role played by Tunku Abdul Rahman in bringing about the idea of the bank, Malaysia received a lot of financial assistance from the bank.²⁴

The first financial assistance amounted to RM 50 million dollars (in loan) given by the IDB to Malaysia was in 1977 for *Permodalan Nasional Bhd.* (a financial institution in Malaysia), and this was followed by Pahang Cement Company which received RM 17 million *Ringgit* (in equity terms) in 1978 (Gomathi A/P Vanathan, 1995/1996:108). Between 1984-1985, the IDB distributed its financial assistance (two equities, and eight loans) to 10 Malaysian projects. These included the Palpa dan Paper Factory (US\$ 130.2 million), Cold Rolling Factory (US\$ 88.1 million), Mini Hydroelectric Area I (US\$ 11 million), Electricity for urban people (US\$ 23.5 million), the construction of Lumut Port (US\$ 63.4 million), the highway of Seremban-Air Hitam Fasa II, III dan IV (US\$ 92.7 million), the building of eight religious schools (US\$ 5 million), the Islamic Academy, University of Malaya (US\$ 10.4 million), Islamic Complex (US\$ 3.2 million), and Petrajaya Art Centre (US\$ 1 million) (Gomathi A/P Vanathan, 1995/1996:109-110).

Heading towards the 1990s, however, after Malaysia experienced rapid economic growth, it no longer qualified to receive 100 per cent financial assistance from the IDB, instead the bank would only distribute about 30 per cent for financial loans, and 70 per cent for the purchase of equipment (in instalment scheme)²⁵ in any project developments in Malaysia (Gomathi A/P Vanathan, 1995/1996:112-

²³In another study, Saudi's contribution to the IDB is about 27.33 per cent (the largest donor), followed by Libya (10.96 per cent), and Iran (9.59 per cent). See Henderson (2003), also available at http://kyl.senate.gov/legis_center/subdocs/091903_henderson.pdf (20/3/2008).

²⁴Yet, it did not necessarily mean that Malaysia was the only Muslim country receiving the financial assistance as Cameroon, and Jordan were among the first beneficiaries of the IDB's financial assistance. See Gomathi A/P Vanathan (1995/1996:104).

²⁵The form of instalment scheme is similar to leasing but involved the immediate transfer of ownership of assets to the borrower. See Economic Planning Unit (2005:598); also available at http://www.epu.jpm.my/new%20folder/RM8/c22_cont.pdf (20/3/2008).

113). Despite this, at the end of the 1990s, Malaysia was able to get financial assistance amounting to RM 1,198,056.10 million from the IDB to build the International Islamic University (Kasman, 1996:23), and US\$ 20.16 million for the construction of the Malaysia University of Sabah or UMS, *Universiti Malaysia Sabah*.²⁶ Frankly to say, the total amount of IDB financial assistance from 1977 up to the end of the 1990s to Malaysia was approximately about US\$ 512 million dollars (*Ibid.*:5).

The tendency of Malaysia to gain financial assistance from the IDB is probably due to the preconditions of the bank which does not charge any interest for the loan given and the borrowers (the OIC members) are only pay one per cent for the service fee.²⁷ Yet the overall picture of the IDB's financial assistance to Malaysian economic development is still smaller in comparison to the contributions from other major financial institutions like Japan's Official Development Assistance (ODA), the World Bank, UN (United Nations) Organizations, or to several developed countries such as the US and Europe. This could be referred to, for example 1987, where Japan (through the ODA) alone contributed about 30 per cent (RM 230.8 million) of Malaysia's total sources of foreign equity in approved projects, followed by Singapore (18.1 per cent), Taiwan (15.8 per cent), the US (8.2 per cent), while others (including the IDB's contribution)²⁸ was only about 9.1 per cent or RM 68.3 per cent (Ariff, 1985:112).²⁹ Moreover, from 1996-2000, for Malaysia's technical assistance, the IDB had only contributed US\$ 0.20 million (and then only in 1999), whereas Japan, as the largest donor, gave away on average from US\$ 55 million (1996) to US\$ 60 million (2000), followed by other developed countries and a number of international financial agencies (Economic Planning Unit, 2005:592).

The limited financial contribution of the IDB in Malaysia's economy may be associated with its resources which are not quite large enough

²⁶See Md. Khalid (2004a) available at http://utusan.com.my/utusan/archive.asp?y=2004&dt=1030&pub=utusan_express&sec=front%5Fpage&pg=fp_05.htm&arc=hive (20/3/2008); and Md. Khalid (2004b).

²⁷See "Islamic Bank: Tunku Off to Brief Arabs" in *Malay Mail* [March 6, 1974].

²⁸In 1986 and 1987, the IDB had given US\$ 15 million, and US\$ 40 million to Malaysia respectively, but since most of the fund was used to purchase imported materials for developmental projects, the government could only spend about US\$ 3.135 million (1986), and US\$ 8.487 million (1987) on the projects that had been approved by both sides. See Gomathi A/P Vanathan (1995/1996:110).

²⁹See also Table 4.6; and also for further elaboration see Table 4.7 and Table 4.8 in this Mohamed Ariff's book (1985:112-113).

– that was about RM 5,971 million in 1980s (Gomathi A/P Vanathan, 1995/1996:107), and it rises to nearly US\$ 7 billion towards the end of the 1990s³⁰ – to finance all the projects that were undertaken by members of the OIC, including Malaysia. Nevertheless, the poorest members which are identified as “least developed” receive more emphasis. Added to this are the other financial commitments of Arab oil producing countries as the main IDB donors, especially the Kingdom of Saudi Arabia, in several international financial institutions like the OPEC Fund, the International Monetary Fund, the International Fund for Agriculture, the African Development Fund, and others.³¹

Even though, Malaysia’s affiliation in the OIC has, to some extent, brought it closer to Saudi Arabia, mostly in the form of receiving financial aid from the Kingdom, but in terms of economic relations between these two countries is less encouraging. Among the indicators are, for instance, from the 1960s to the 1990s, the total amount of Malaysia’s bilateral trade relations with Saudi Arabia was not more than RM 3.7 billion *Ringgit*, and constantly registered a high deficit to the former due to large imports of the latter’s petroleum products. This is different with Malaysia’s closest trading partners such as the USA (United States of America), Singapore and Japan, which, on average have not less than RM 20 billion and up to RM 70 billion *Ringgit*. In terms of trade agreements, both countries only managed to sign five major agreements, of which the last three agreements have only been signed after almost twenty years since the first two; the Economic and Technical Cooperation Agreement (1975), the Cultural and Scientific Cooperation Agreement (1976), and the Avoidance of Double Taxation Agreement (1993), Investment Guarantee Agreements, and Agreement on the Accession of Saudi Arabia to the WTO (2000).³² Moreover, Saudi Arabia only ranks 27th in Malaysia’s external trade relations, which demonstrate that the United States, Japan, Singapore and Europe are the leading partners in Malaysia’s trade relations (MATRADE, 1999-2000).

³⁰See IDB (2004); also available at <http://www.isdb.org/'29annualreport/Chapter%207.pdf> (20/3/2008).

³¹See “Saudi Aid Contributions Through Other Organizations” available at <http://www.kingfahdbinabdulaziz.com/main/n032.htm> (20/3/2008).

³²See MITI (2003), also available at <http://www.miti.gov.my/speech-7dec03.html> (20/3/2008); *Saudia Online* (22/5/2001), also available at <http://www.saudia-online.com/maynews/Business56.htm> (20/3/2008); and MITI (2008), also available at <http://www.miti.gov.my/press34a.htm> (20/3/2008).

Malaysia also has to face some stringent policies of the Saudi government which indirectly lead to the former having some difficulties in penetrating the latter's markets (for instance, high tax imposed upon Malaysian goods at 12 per cent, some strict administrative business matters such as Saudi health authorities' stringent requirements for imports of pharmaceutical products - only Malaysian companies that are already exporting to a developed country like the European Union, the US, and Japan can register with the Ministry of Health, and others).³³ In fact, it is not only the economic relations between Malaysia and Saudi Arabia that are discouraging, but the overall economic co-operation among all OIC members is also not growing rapidly. The OIC has been active in promoting the strengthening of the level of the economic co-operation among its members since the Second Islamic Summit Conference in Lahore, Pakistan in February 1974 (SESRTCIC, 1984:10-21). Various efforts were also taken to integrate the economic solidarity of the OIC, such as formulating a "General Agreement for Economic, Technical and Commercial Cooperation" in 1975, preparing for a "Plan of Action for Economic Cooperation Among Islamic Countries" in 1981, the discussion on "Industrial and Technical Cooperation Among Islamic Countries" in 1982, the current proposal of the Islamic Common Market (which was previously proposed by Bangladesh in 1981), and others (Al-Ahsan, 1988:83-102).

However from the early 1990s and onwards, as an example, the economic cooperation between members remained low (perhaps with the exception of Iraq which was undergoing international economic sanctions) compared with their trading activities with non-OIC members, especially developed countries (see Table 3 and Table 4 for further explanation).

Among the major reasons behind this is their high dependency on a single commodity (like oil petroleum for the most of Arab oil producing countries) to exchange for manufacturing merchandise which is normally produced by industrially-developed countries (Al-Ahsan, 1988:92; and Hassan, 2003:64), too much emphasis given to their own regional economic groupings like the Gulf Co-operation Council (GCC), the Arab Maghreb Union (AMU), the Council of Arab

³³Interview with Mr. Ibrahim Md. Yusop, Manager (Asia/Africa) for Malaysia External Trade Development Corporation (MATRADE), Kuala Lumpur, Malaysia, 9 April 2003; and discussion with Mr. Anuar Kasman, Counsellor, Deputy Mission in the Embassy of Malaysia, Riyadh, August 28, 2004, 3.30-4.30pm, Riyadh, Saudi Arabia.

Economic Unity (CAEU), the Association of South East Asian Nations (ASEAN), and others (Hassan, 2003:54-57), and also due to the lack of political will of the OIC members in responding to some economic issues or proposals to develop their own economic co-operation (Al-Ahsan, 1988:9-10).³⁴ Besides that, the less encouraging economic relations among OIC members indirectly indicate the non-international co-operation of Muslim countries in the international economic system, and at the same time also probably shows that in the secular system, Muslim countries are paying less attention to assisting their Muslim counterparts, in the scope of trade relations, as urged by the Islamic principles; instead they are putting much emphasis on the modernization and industrialization which mostly possessed by non-Muslim countries (developed countries).

Table 3
International Trade Among OIC and non-OIC Countries, 1992-1996
(Selected Countries)*

OIC Members	Exports From Islamic Countries (US\$Million)									
	To Islamic Countries					To Non-Islamic Countries				
	1992	1993	1994	1995	1996	1992	1993	1994	1995	1996
Algeria	329	288	248	641	916	10,808	9,810	8,343	10,190	11,982
Bahrain	347	411	543	522	621	6,987	8,430	9,390	11,691	13,608
Egypt	568	758	624	608	809	2,482	4,368	2,851	2,833	4,430
Indonesia	2,216	2,547	1,809	2,698	2,895	31,761	34,296	36,405	41,306	45,164
Iran	1,619	2,162	1,159	1,193	1,332	18,249	15,858	15,439	18,008	20,530
Iraq	396	403	379	411	13	213	68	3	13	2
Jordan	602	526	585	756	615	391	472	560	718	886
Kuwait	352	595	842	1,049	942	4,133	8,386	8,587	10,307	9,904
Libya	791	409	711	933	1,131	9,143	7,131	7,079	7,532	8,902
Malaysia	2,352	2,713	3,457	4,281	4,543	38,357	44,415	55,291	69,441	73,703
Pakistan	1,397	1,234	1,126	1,481	1,532	5,872	5,467	6,206	6,510	7,767
S. Arabia	6,686	6,755	6,442	7,145	7,947	43,601	35,603	36,142	44,321	49,353
Turkey	2,656	2,965	2,968	2,855	3,673	11,950	12,384	15,187	18,441	17,723
UAE	3,426	3,240	3,460	3,544	3,729	18,939	18,006	18,271	20,925	24,375

*Source: Hassan (2003:68-69).

In political affairs Malaysia, along with Saudi Arabia, is among the forerunners of the OIC members to promote Muslim issues like the Palestinian people, the Soviet invasion of Afghanistan, the Iran-Iraq

³⁴The lack of political will among the OIC members could be related, for example, with the attempt of the organization to hold a meeting on the "Food Problem in Islamic Countries and Proposals for Future Action" parallel with the OIC Resolution in 1978. Unfortunately, because of the lack of responses, the meeting on the matter was delayed several times, and even the place of meeting changed from Egypt to Mali.

Table 4
International Trade Among OIC and non-OIC Countries, 1992-1996
(Selected Countries)*

OIC Members	Imports To Islamic Countries (US\$Million)									
	From Islamic Countries					From Non-Islamic Countries				
	1992	1993	1994	1995	1996	1992	1993	1994	1995	1996
Algeria	458	565	915	780	705	8,190	8,196	8,655	9,346	7,810
Bahrain	1,954	1,675	1,749	1,957	2,110	2,580	2,580	2,439	2,123	2,341
Egypt	609	884	660	1,256	1,302	7,684	13,658	8,933	10,483	18,211
Indonesia	1,867	1,685	1,530	2,001	2,937	25,416	26,648	28,857	38,235	40,008
Iran	2,406	2,153	2,114	2,287	2,196	20,700	14,497	9,471	9,843	11,588
Iraq	315	329	343	422	133	288	204	155	194	94
Jordan	893	920	985	1,150	844	2,364	2,621	2,423	2,540	3,197
Kuwait	301	760	1,249	306	267	6,981	6,152	5,477	6,799	7,411
Libya	890	818	689	839	881	4,275	4,556	3,464	4,011	4,256
Malaysia	1,108	1,299	1,592	1,944	1,312	38,819	44,317	57,963	75,718	76,485
Pakistan	2,099	2,430	2,741	3,531	3,793	7,276	7,062	6,143	7,929	8,357
S. Arabia	2,521	2,826	2,536	2,936	3,283	30,752	25,376	20,808	24,513	33,146
Turkey	3,333	2,697	3,428	4,324	4,805	21,047	26,658	19,850	31,442	36,791
UAE	2,045	2,484	2,607	3,262	3,777	15,369	17,036	18,417	23,945	25,311

*Source: Hassan (2003:66-67).

War, Muslim minorities, the Gulf War, and others. Also both countries are regular attendants of the OIC conferences to discuss several issues related with other Muslim countries.³⁵ In dealing with various Muslim issues and conflicts, however, Malaysia is seen as a bit more “careful” in responding to some particular issues that have overlapping impact over other OIC members, especially among inter-Arab or Arab-Iranian rivalries. Probably, in the issue of Palestine, Malaysia and Saudi Arabia, have a common stance by jointly promoting the welfare of the Palestinian people at the international level. Malaysia, for instance, constantly promotes the statehood of the Palestinian people, annually celebrates the “Palestine Solidarity Day” for every 21st of August (the day after the burning of Al-Aqsa mosque), established a PLO office in Kuala Lumpur in 1974, proposed (by Tunku Abdul Rahman) to the OIC to send a team to Jerusalem to examine Al-Aqsa Mosque in 1973, but this was turned down by the Israeli government (OIC, 1975:4 and

³⁵For the attendance of the OIC members, particularly Malaysia and Saudi Arabia, in the Islamic Summit Conferences see for instance, see OIC (1969), also available at <http://www.oic-oci.org/english/fm/All%20Download/fm.01.htm> (20/3/2008); OIC (1974), also available at <http://www.oic-oci.org/english/is/2/2nd-is-sum.htm> (20/3/2008); OIC (1981), also available at <http://www.oic-oci.org/> (20/3/2008); OIC (1984), also available at <http://www.oic-oci.org/english/is/4/4th-is-sum.htm> (20/3/2008); OIC (1987), also available at <http://www.oic-oci.org/english/is/5/5th-is-sum.htm> (20/3/2008); and OIC (1991), also available at <http://www.oic-oci.org/english/is/6/6th-is-sum.htm> (20/3/2008).

16), and in 1989 Malaysia upgraded the PLO status in Malaysia to the embassy level (Nair, 1997:207).

The Kingdom of Saudi Arabia not only gives moral support to Palestine but also frequently distributes financial aid to the Palestinian people through Al-Quds Fund, to which the Kingdom donated, between 1978-1985, about SR 37,000,000 (OIC, 1989). The deep interest of Saudi Arabia in the affairs of Palestine might be vital as early as during the establishment of the Kingdom, in order to revive its image after overthrowing the Hashemite family.³⁶ In some ways, it also could be considered that the issue of Palestine had made the relations between these two countries closer in the OIC itself. This was also different from the issue of the Muslim minorities, specifically the Muslim communities in Mindanao, southern Philippines, where Malaysia in the capacity of its status as one of the ASEAN (Association of South East Asian Nations) members; and the Committee of Four, comprised of Saudi Arabia, Libya, Senegal, and Somalia, had frequently negotiated (mostly based on the Tripoli Agreement in 1976)³⁷ for a settlement between the Moro National Liberation Front (MNLF) and the Philippine government. This eventually came into reality under President Fidel V. Ramos's reign, with the help of Indonesia as the mediator, when both parties agreed to sign the ceasefire agreement in Jakarta in 1996. The agreement also showed the election of Nur Misuari (the Chairman of the MNLF) as the governor of the four province autonomous region of Muslims in Mindanao, Philippines (Nadarajah, 2000:69-71).

Besides that, in the case of Soviet's invasion of Afghanistan, Malaysia supported the struggle of the *Mujahideen* Afghanistan, although prior to the actual invasion by the Russian troops in December 1979, it practised a non-interference policy towards the conflict (Nair, 1997:208). Malaysia's approach towards the *Mujahideen* was similar

³⁶In a telegram (Decypher, Sir R. Bullard, Jeddah, 24th March, 1937) from Ibn Saud to the British government, prior to the Balfour Declaration, the King emphasised how important the issue of Palestine was for his government when he had said: "*As a Moslem and an Arab his sympathies naturally lay with the Arabs of Palestine. He had suppressed these feelings hitherto out of friendship for His Majesty's Government and he could always suppress his feelings in the interests of policy. But His Majesty's Government must remember that he stood alone, and that he had to think of his position in a world where many of his co-religionists would not even admit that he was a Moslem*". See "Palestine Royal Commission, Proposals of the King of Saudi Arabia" in *British Public Record Office*, UK (CO 733/347/1).

³⁷The Tripoli Agreement was signed by the representative of the Philippine government, the Chairman of the MNLF, the Libyan Foreign Minister, and the OIC Secretary-General. The agreement provided for the autonomy of Muslims in the Southern Philippines. See Salmi, Majul & Tanham (1998:161-162).

to the PLO (Palestinian Liberation Organization), as the former was also allowed to establish its office in Kuala Lumpur and, in 1985, the Afghan Refugees Humanitarian Aid Fund was set up to provide non-military assistance to the *Mujahideen*. Moreover, following the withdrawal of the former Soviet Union in 1989, Malaysia continued its recognition of the *Mujahideen* guerrillas as the interim government-in-exile of Afghanistan, and the Kingdom of Saudi Arabia too acted in the same way as Malaysia did by giving its undivided support to the interim government of the *Mujahideen* in Afghanistan (Nair, 1997:208-209).

The recognition from both Malaysia and Saudi Arabia towards the *Mujahideen* of Afghanistan could be linked to Malaysia's anti-communist policy towards the former Soviet Union since the era of its independence (without denying, too, cooling off the local religious pressure) while the Kingdom, as commonly known, had been involved in Afghanistan since the 1980s, firmly supporting anti-Soviet forces, namely the *Mujahideen* guerrillas, against the Soviet invasion (Henderson, 2003:6). Yet, the support of Malaysia and Saudi Arabia to the *Mujahideen* Afghanistan could be described as "individual recognition" from both countries and not an extension of the OIC's declaration. For in general, the OIC supported neither the Kabul regime nor the *Mujahideens*. The OIC did not support the former as it was an illegal government directly supported by the former Soviet Union, while the latter could not be considered as the representative of the Afghan people. The OIC's indecisiveness towards the Afghanistan issue was largely owing to the closeness of a few members of the organization with the former Communist power (Al-Ahsan, 1988:64-65).

In some cases, where there were seemingly apparent differences among the OIC members, mainly between Arab countries, or Arab-Iranian disagreements, Malaysia usually opted to be neutral (or as was mentioned before, it tried to be more "careful" in dealing with the issues or conflicts). This can be seen, for instance, in the event of the Iran-Iraq War where there was a tendency for a few members of the OIC like Saudi Arabia, Turkey, Jordan and Egypt which noticeably sided with Iraq; while others including Syria and Libya were in favour of Iran (Rabinovich, 1989:102-105).

Malaysia, on the other hand, attempted to portray its neutrality towards the war,³⁸ and at the same time the Malaysian government

³⁸Malaysia's neutrality was agreed by Dr. Mahmud Taghni Bahnki, Iran's representative, during his visit to Malaysia in 1981. See Gomathi A/P Vanathan (1995/1996:80); and Nair (1997:93).

along with other OIC members, such as Bangladesh, Guinea, Pakistan, PLO, Senegal, Tunisia, and Turkey which were appointed as the Islamic Peace Committee (IPC), initiated some efforts to find a solution for the two warring countries. However, because both Iran and Iraq were less co-operative in supporting the OIC's proposal, and added with Iran's high suspicions of the members of the organization, which it believed, were more pro-Iraqi government, the efforts of Malaysia and other IPC committees were not fruitful in bringing the war to the end (Nadarajah, 2000:54). Instead, it was the initiative of the United Nations that was capable of ending the war and led both Iran and Iraq to the negotiating table (Al-Ahsan, 1988:7). Despite Malaysia's neutrality to the Iran-Iraq War which, to some extent, was different to the position of the Saudi government as the relations between the Kingdom and Iran had already soured since the Khomeini revolution in 1979,³⁹ Malaysia's stance on the war did not affect its mutual relations with Saudi Arabia. This is largely because Malaysia and Saudi Arabia still share the same approach towards Iran's revolutionary government, where both countries believed, particularly for Malaysia, that the impact of the Iranian revolution could generate instability in their local Islamic movements.⁴⁰

Furthermore, Malaysia also had a different attitude towards the Egypt-Israel peace deal at Camp David in 1978 (Choudhury, 1993:111). At the onset, the Malaysian government considered Egypt's action did not deviate from unified Arab stand on the Palestinian struggle, particularly on the returning of all occupied Arab land taken since 1967, including Baitul Muqaddis, the establishment of an independent Palestinian state, and the recognition of the rights of the Palestinian people. Malaysia too chose to be impartial on the Arab-Muslims' protests (including Saudi Arabia) against Egypt's peace treaty, for it endeavoured to refrain itself from any involvement in inter-Arab disputes (Robani, 1984:113). Yet, during the 10th Islamic Conference of Foreign Ministers in Maghribi in 1982, Malaysia altered its position on Egypt's peace treaty with Israel by supporting the OIC Foreign Ministers' proposal to suspend the membership of Egypt from

³⁹The relations between Saudi Arabia and Iran, however, started to improve since the election of a more pragmatic President of Iran, Ali Mohammed Khatami on August 3, 1997. See Cordesman (2001), also available at http://www.csis.org/burke/saudi21/saudi_iran.pdf (20/3/2008).

⁴⁰In dealing with the Iran-Iraq War, Malaysia, in fact, got frustrated with Iran's continued depiction of the war as *Jihad* (holy war). See Nair (1997:93).

the organization. The suspension of Egypt from the OIC was because of the view that its action had violated the organization's charter which calls for the co-ordination of efforts for the safeguard of the Holy Places and supporting the Palestinian people, and also Egypt's conclusion of a "separate" peace treaty with Israel that did not give any substantial concessions to the Palestinians (Moinuddin, 1987:101-102). For Malaysia, its support of the OIC resolution was, as was indicated by Malaysia's former Foreign Minister, Tengku Ahmad Rithauddeen, for the sake of OIC solidarity as well as Arab unity (Gomathi A/P Vanathan, 1995/1996:23-24).

From another angle, however, Malaysia was in an uncertain position because it was faced with two contrasting circumstances, namely facing the protests of the Arab-Muslim countries towards Egypt's peace treaty and, at the same time, avoiding interfering Egypt's internal matters. Therefore, in this situation, Malaysia had to take a more balanced option, for both sides are significant for the development of Malaysia's survival in the international system. For example, Malaysia still highly acknowledged Egypt's strong support for the formation of the Federation of Malaysia in 1963 (Shariff Ahmad, 1983:133), while other Arab-Muslim countries, mainly Saudi Arabia, were not only supporting Malaysia during the confrontation against Indonesia (1963-1966), but were also regarded as one of the material sources for the continuation of Malaysia's economic developments (Nair, 1997:96). Nevertheless, the re-admission of Egypt into the OIC in 1986, which was strongly supported by Malaysia at least, had calmed down the situation, and simultaneously its relations with the Kingdom of Saudi Arabia and other Arab-Muslim countries continued to be maintained.⁴¹

Malaysia's carefulness in dealing with issues or conflicts where the degree of the rivalries between Arab-Muslim countries or Arab-Iranian disputes are extremely tense, and which subsequently may disrupt the Islamic solidarity in the OIC, does not necessarily mean that Malaysia will be always on the "observing sides" without giving any response or critiques, or constantly in the side of the Arab

⁴¹Shanti Nair (1997:93) argued that Malaysia's support for the re-admission of Egypt into the OIC was partly due to the importance of the moderate members (like Egypt) in the organization, but the study believed that Malaysia could be uneasy with the suspension of Egypt from the OIC as it was suggested by Syria, one of the Arab countries that did not support Malaysia during the confrontation. See also interview with Tan Sri Wan Mokhtar, the ambassador of Malaysia in Riyadh, Saudi Arabia, 10.00-10.30am, September 1, 2004.

moderate countries, particularly the Kingdom of Saudi Arabia. Instead, in the early operational era of the OIC, Tunku Abdul Rahman, as the first secretary, had described some members of the OIC as egoistical and indifferent and, referring to the attitude of Afghanistan and Egypt in particular, Tunku Abdul Rahman had said: “[...] *they are not all serious [...] They do not take the business of Muslim unity seriously [...] They just join because they happen to be Muslims*” (as cited by Abdullah Ahmad, 1984; and Al-Ahsan, 1988:20). Moreover, under Dr. Mahathir Mohamad administration, he had frequently expressed its harsh criticism towards the behaviour of some of the OIC members, especially to the “habitually” (traditionally) conflicting parties, that may have led the OIC to be an ineffective organization in implementing its decisions, and even Dr. Mahathir Mohamad had always labelled the OIC as a mere “extension of the Arab League” (Nair, 1997:94). Nevertheless, the critiques given by Malaysia did not keep it apart from the members of the OIC, including the Kingdom of Saudi Arabia, in persistently pursuing Muslim issues in the international system.

CONCLUSION

It could be generally said that the main aspiration of the establishment of small states’ organizations in the international system is to safeguard the interests of the members of the organization as well as to express their unhappiness over the running of the world political and economic system. Malaysia and Saudi Arabia are among the front runners of smaller countries that frequently voiced issues or problems related to the interests of small states’ organizations. It is hoped that through the establishment of the OIC, it would help Muslim countries tackling the secular feature of the international system as well as attempting to restore the Islamic Caliphate. However, since Malaysia and Saudi Arabia had been in historical and mutual interaction with the major players of the international system, especially the US, United Kingdom and their allies, both countries’ participation in small states’ organizations, especially in the OIC could be largely attributed to the need of gaining wider recognition and forging closer economic cooperation with other smaller countries.

Furthermore – in contrast with the early statement made before that the membership of Malaysia and Saudi Arabia in the OIC might not further intimate their relations – it cannot be denied that the membership of Malaysia and Saudi Arabia in the OIC, to some extent,

has improved the level of their relations tremendously. This is because, apart from economic interactions, both countries are actively involve in addressing Muslim issues like the Palestinian people, the Iran-Iraq War, the Soviet invasion of Afghanistan and others. Besides that, the interaction of Malaysia and Saudi Arabia in the OIC is mostly influenced by personal relations, particularly between Tunku Abdul Rahman, and King Feisal, who was responsible for the appointment of the former as the first Secretary of the OIC during the latter's visit to Malaysia in 1970. As the Secretary of the OIC, Tunku Abdul Rahman had worked closely with King Feisal to address several Muslim issues, and at the same time also, the Malaysian government took the advantage over the close personal relations to acquire financial assistance from the Kingdom.

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