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Positioning East Asia in the Post-Crisis World

It is a pleasure indeed to be invited to deliver the Keynote Address at this Seventh East Asia Congress. My congratulations go to ISIS Malaysia for taking the important initiative to organise this annual conference, and to all of you present here who are the real builders of this community-in-the-making. This year's theme of 'Positioning East Asia in the Post-Crisis World' could not have come at a more appropriate time. Just fifteen short months ago, the world's economies were thrust to the edge of a deep abyss. By conscientious collective efforts and the grace of the Almighty, we did not fall in. Fifteen months later, we are beginning to move away from the danger zone. Nevertheless, we should take nothing for granted. Conditions are still far from optimal and with a few missteps here and there, we may well end up in as precarious a situation as before. It would seem that whenever we are most confident, that is the time when we ought also to be most watchful.

2. This morning, I would like to share some personal thoughts on the political and social aspects of East Asian community. Economically, the region is already a reality. The forces that are welding the region together are strong and cannot be easily pulled apart. If anything, the momentum, centering on Northeast Asia and specifically China, can only grow. Politically and socially, however, there is still a

great deal of work to do. I think that it is time for some serious introspection. We cannot and must not accept the feelings of apathy and antipathy that, no matter how small, seems to have seeped into our relationships, despite our efforts to improve our regional architecture. If we do not seize the moment and pour our energies into strengthening socio-political cohesion, we risk losing the factors that have made us successful and a region of world interest.

3. I think it would be good to go back to basics and ask ourselves some fundamental questions. First, why do we want to create or strengthen a sense of community in the region? What do we hope to achieve? Second, what is the basis for our community? Is it homogenous attributes, shared interests or shared goals? Finally, how should we approach the task of community-building? Is it organisationally or organically? These questions have been asked for a long time and there are many answers as opposed to too few. We have many models and experiences to study. But while we have these for references, we must answer these questions in the context of our present and specific realities and aspirations. We must remember that we are not engaged in a theoretical exercise but one that is of utmost consequence for the welfare of our peoples.

4. Of late, there have been a number of different proposals that have found their way to the table. Prime Minister Kevin Rudd of Australia is keen to articulate his vision of an Asia Pacific community, while Prime Minister Yukio Hatoyama of Japan has also spoken of the need for an East Asian Community. These come in addition to the existing Asia Pacific Economic Cooperation, the East Asia Summit and the ASEAN Plus Three processes. It is good that we have to exercise our minds and discuss these ideas. I look forward to seeing how they take shape. But we can also take a totally different tack and consider a stripped-down version of community, one

that is created not from 'on high' but from the ground below. I would like us to consider the idea of community simply as a natural gathering of the likeminded.

5. To be likeminded merely means that participants have something substantive in common. It does not mean that they have to be identical in every respect. As we all know, East Asian countries have differing cultures, histories and socio-political economic circumstances. Countries have pitted themselves against one another in the distant past, and there are still unhealed wounds today. There are also present day frictions – over territorial boundaries, maritime resources and spheres of influence. These are often seen by those outside the region as potential flashpoints and a reason for concern. These same commentators would like to view military spending in the region as an arms race. China's rise as a world power is also having to be accommodated and has led to different strategic perspectives and alignments.

6. Despite these differences and contentions, however, there exists a feeling of like-mindedness. This stems from the knowledge that unless there is peace and security in the region, our countries will not have the latitude and wherewithal to pursue development and progress for our peoples. It is true that our sense of community is affected by insecurities and unresolved issues – something that our critics will not allow us to forget – but it is equally true that these are what drive our determination to strengthen community. This desire finds expression in formal mechanisms such as ASEAN and its dialogue relations. These serve as formal frameworks for engagement and interaction but should not be mistaken for the sense of community. The two are often confused. They are the instruments, not the object of our efforts.

7. The desire for peace and security are good reasons to create a sense of community but a community can achieve much more than this. Regular meetings at all levels allow for face time and promote cooperation and collective action in various initiatives and functional areas. There is therefore a practical value to community building such as economic partnership arrangements and obtaining funds for various economic, social and environmental purposes. Again, however, I would caution against mistaking function for the essence of community. We can have all sorts of regional and trans-regional arrangements and not be any closer to forging a sense of community among ourselves.

8. East Asia as a community tends to be judged by what it does and achieves. This cannot be helped as we live in a utilitarian world. But while we must always endeavour to deliver the goods and avoid being seen as hollow or shallow, we also cannot measure our sense of community by our achievements alone. As any student of international relations knows, the conduct of nations is not always easily scrutable. Strategic interests are not always transparent, intentions are not always credible, and actions are open to varying interpretations. Countries have often to start from relatively low levels of engagement and build up trust and confidence levels. This means having to curb lofty ambitions, take occasional reversals within their stride and proceed steadily.

9. Of course, if the pace of progress is too slow then the regional enterprise stands the risk of being written off. Form, function and performance must move in tandem, progressing at a speed that allows the grouping to remain relevant but within the capacities of participants to be productively engaged. We are now passing the first stages of community-building and will have to negotiate ever harder stretches. I believe that if the sense of community is to be intensified, we have to do

more than scratch at the surface. This is why it is imperative to organisationally renew ourselves. For this to happen, however, we will need to address the rather sensitive issue of leadership. Building more complex and unwieldy institutional structures will not compensate for responsive and enlightened leadership. I hope that all of you can put your minds to discussing this issue in a frank and forthright manner.

10. Let me now quickly move on to the elements of community. As I said earlier, this does not have to be a highly involved answer. Community can sometimes be built on the simplest connections, such as a common value, a joint problem or a shared goal. It is important that the connection be meaningful to the participants of that community. If a sense of community is to deepen over time, there must be greater density of interactions and therefore formal or informal norms of interaction will be called for. In ASEAN, these norms – often referred to as ‘The ASEAN Way’ – include consensual decision-making, non-intervention and mutual respect. They have on the whole held ASEAN in good stead for over four decades by avoiding open conflict and contributing towards stability.

11. In my view, the most important aspect of the conduct of our relations is not what we write into our charters and agreements but how we fundamentally behave towards one another. If we are guided in our decisions and actions by considering how they impact others, we would go a long way to propelling forward a sense of community. We may still take certain steps that may have adverse effects on neighbouring countries but at the very least we can make efforts to ensure that these are understood. It is when we ignore cause-and-effect and the dictates of mutuality that we end up estranging those who we want to move closer to. If we do not

voluntarily constrain our conduct in this way, it is highly unlikely that we will make much headway no matter what we do to our institutional architecture.

12. As an example of this, we need look no further than at ASEAN. ASEAN's institutional framework has been greatly strengthened. It now has a Charter and legal personality. It has a new machinery such a council of permanent representatives and an enhanced secretariat. It is embarking on new initiatives such as an inter-governmental commission on human rights. With all these efforts in place, it would seem right to adopt a renewed sense of confidence and optimism. And yet the state of intra-regional relationships is not as it should be. Goodwill and harmony are, in many cases, lacking. There is more than a moderate degree of acrimony in some cases. The whole is only as good as the sum of its parts and it is essential that there are efforts to ensure relationships do not deteriorate further.

13. In this day and age, it is also essential that the elements of community must encompass respect for human dignity and rights. If the East Asian community is to be looked on with high esteem, as a full partner and not false pretender, it cannot be founded on a culture of disrespect and disregard. We must show that we have a right to be considered as responsible members of the global community by abiding by high standards of moral and ethical conduct beginning with our own populace. Even if not all of us are able to sign on to the international conventions, we can take, and be seen to take, concrete measures to promote such things as political inclusiveness and participation, and the rule of law, in addition to our ongoing war against deprivation and ignorance.

14. Let me turn now to how we could approach the task of community-building. There is something to be said about taking the tried and tested ways, provided that

we are also prepared to take alternative routes when we come up against obstructions. One does not have to be radical in order to be successful. To put it briefly, my own view is that the community we want to build would be most desirable if it seeks to be at least three things: relevant; holistic; and engaging.

15. I have already referred to the need to be relevant. The research coming out of the world's leading organisations is finding that more than half of a country's wealth lies not in the tangible but the intangible. In a 2006 report entitled '*Where is the Wealth of Nations?*', the World Bank found that almost 60 per cent of the capital of low-income countries in 2000 was not in factories or even in the ground but in human capital and in formal and informal institutions. For middle-income countries like Malaysia, intangible capital represented closer to 70 per cent, and for high-income countries it was 80 per cent. What this means is that there can be no economic development and no social progress without sizeable investments in people and institutions. Investments in industry and infrastructure are important but without similar commitments to human capital and institutions there will be not be qualitative progress. I would suggest to you that if an East Asian community is to be truly operative, these are areas that must be given much greater emphasis, both individually and collectively.

16. Second, we should cease to be piecemeal and start to be holistic. Functional cooperation is important. It is possible to be so wrapped-up in top-down goal setting and managing of atmospherics that we forget to deliver practical benefit. The opposite risk, however, is one of reductionism, that is, reducing the community to its functional parts. Just as the individual components of a Formula 1 car do not win races, so the sum of functional parts does not produce a true sense of community. For the latter to prevail, there must be leadership and broad-based participation at

the bottom. If regional community-building remains only a facet of foreign policy, it is unlikely to have the appeal and momentum to be substantive. But if it increasingly connects all parts together, mobilising the private sector, labour groups and social organisations, it can develop substantial momentum.

17. Third, and finally, the East Asian community must be engaging in at least two respects. First, it must be so charged with exciting possibilities that the rest of the world will want to have dealings with it. Second, the community itself must be open and inclusive and want to reach out to the rest of the world. East Asia is not, and must never be, closed off to the world. Our advantage will lie in our openness and pragmatism. Despite East Asia's growing political and economic weight, we cannot afford to be closed and ideological in this inter-connected age. If we do, we can be assured of being left behind. If we do, the region will be increasingly drawn apart and what little sense of community we have will dissipate.

Ladies and gentlemen:

18. It is clear that we in East Asia see a common purpose and future ahead of us. This is what has kept interest in community-building fresh and alive over the past decade. I have defined community simply as an enterprise of the likeminded. I have also identified the reasons why we ought to pursue it vigorously, its elements and our approach. I have not suggested that the East Asian community-building be exclusive. Countries will want to forge as many ties and relationships as possible if they are desirable and productive. At the end of the day, however, it makes no sense to search for peace and security farther afield, when we do not make efforts in our own neighbourhood.

19. Forums like this East Asia Congress are no less important as nurseries to grow the East Asian community as is the East Asian market place and the region's corridors of political power. I wish you fruitful deliberations and every success at this Congress and thereafter.

Thank you.