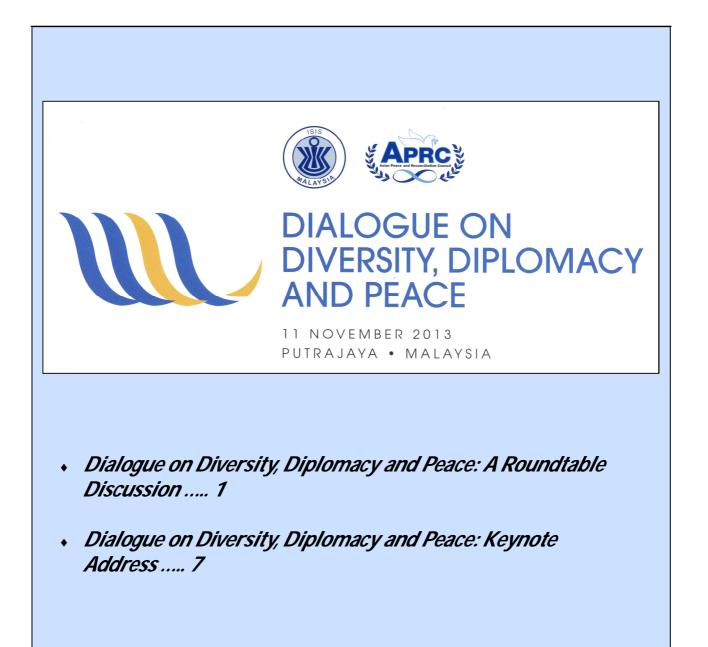


• PP 5054/11/2012 (031098)

ISIS FOCUS

Issue No. 11
November 2013





INSTITUTE OF STRATEGIC AND INTERNATIONAL STUDIES (ISIS) MALAYSIA www.isis.org.my

Limited Circulation



ABOUT ISIS MALAYSIA

The Institute of Strategic and International Studies (ISIS) Malaysia was established on 8 April 1983, in realization of a decision made by the Malaysian Government to set up an autonomous, not-for-profit research organization that would act as the nation's think-tank. ISIS Malaysia was envisioned to contribute towards sound public policy formulation and discourse.

The research mandate of ISIS therefore spans a wide area. It includes economics, foreign policy and security studies, social policy, and technology, innovation, environment and sustainability.

ISIS Malaysia today fosters dialogue and promotes the exchange of views and opinions at both national and international levels. It undertakes research in collaboration with national and international organizations, in important areas such as national development and international affairs.

ISIS Malaysia also engages actively in Track Two diplomacy, fostering high-level dialogues at national, bilateral and regional levels, through discussions with influential policymakers and thought leaders.

RESEARCH

Economics

Research in this area is generally aimed at promoting rapid and sustained economic growth and equitable development in the nation. We study specific (rather than generic) issues that concern the nation's competitiveness, productivity, growth and income. Areas of research include macroeconomic policy, trade and investment, banking and finance, industrial and infrastructure development and human capital and labour market development. The objective of all our research is to develop actionable policies and to spur institutional change.

Foreign Policy and Security Studies

The primary aim of this programme is to provide relevant policy analyses on matters pertaining to Malaysia's strategic interests as well as regional and international issues, with a focus on the Asia-Pacific Region. These include security studies, foreign policy, Southeast Asian politics and military affairs.

Editorial Team

Steven Wong Susan Teoh Thangam K Ramnath

Social policy

Demographic and socio-cultural trends are changing Malaysian society and the social policy programme was established to respond to these developments. Research in this area is concerned with effective nation building, and fostering greater national unity. In particular, we look at issues involving the youth, women and underprivileged communities. In conducting its research, ISIS Malaysia networks with non-governmental organizations and civil society groups.

Technology, Innovation, Environment & Sustainability (TIES)

The TIES programme provides strategic foresight, collaborative research and policy advice to the public sector, businesses and policy audiences, on technology, innovation, environment and sustainable development. Its focus includes green growth as well as energy, water and food security. Towards this end, TIES has been active in organizing dialogues, forums, policy briefs and consultancies.

HIGHLIGHTS

ISIS Malaysia has, among others, researched and provided concrete policy recommendations for:

- Greater empowerment and revitalization of a national investment promotion agency;
- A strategic plan of action to capitalize on the rapid growth and development of a vibrant Southeast Asian emerging economy;
- A Master Plan to move the Malaysian economy towards knowledge-based sources of output growth;
- The conceptualization of a national vision statement;
- Effective management and right-sizing of the public sector; and
- Strengthening of ASEAN institutions and co-operation processes.

ISIS Malaysia has organized the highly regarded Asia-Pacific Roundtable, an annual conference of high-level security policymakers, implementers and thinkers, since 1986.

INTERNATIONAL NETWORKING

As a member of the Track Two community, ISIS Malaysia participates in the following networks:

- ASEAN-ISIS network of policy research institutes;
- Council for Security and Cooperation in Asia and the Pacific (CSCAP);
- Network of East Asian Think Tanks (NEAT); and
- Pacific Economic Cooperation Council (PECC).

It is also a partner institute of the World Economic Forum (WEF).

Design

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Photography Jefri Hambali / Halil Musa

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Dialogue on Diversity, Diplomacy and Peace: A Roundtable Discussion

Dialogue on Diversity, Diplomacy and Peace was jointly organized by the Institute of Strategic and International Studies (ISIS) Malaysia and the Asian Peace and Reconciliation Council (APRC), in conjunction with the Inaugural General Meeting of the APRC. Held on 11 November 2013 in Putrajaya, the Dialogue was convened to discuss how diversity could be harnessed for national and regional development, as well as contribute to peace and stability. A Roundtable Discussion at the event was chaired by **Tan Sri Dato' Seri Mohamed Jawhar Hassan**, Chief Executive of the Institute of Strategic and International Studies (ISIS) Malaysia. The panelists were **Distinguished Professor Datuk Dr Shamsul Amri Baharudin, Professor Emeritus Surichai Wun'gaeo**, and **Professor Dr David Kennedy**. Former ISIS researcher **Hani Noor Azlan** and ISIS intern **Melody Goh** report.



From left: Shamsul Amri Baharudin, Surichai Wun'gaeo, Mohamed Jawhar Hassan and David Kennedy

In his welcoming remarks, **Tan Sri Dato' Seri Mohamed Jawhar Hassan** described Asia as a celebration of diversity, showcasing countless ethnicities, cultures, religions and civilizations, all existing side by side. While its diversity is sometimes a source of contention and conflict, nonetheless, in most times, this diversity has also served to enrich and strengthen the region's political, economic, and social fabric. For many countries, the biggest challenge to peace, stability, and harmony involves grappling with issues of state-making and nation-building. Thus, to arrive at peace resolutions, there is a pressing need for dialogue, negotiation, and diplomacy. Diplomacy does not occur in a vacuum. It requires a unique blend of factors which can enable resolutions even amidst challenging circumstances. A group of outstanding individuals with exceptional experience, skills, and reach can discover possibilities and establish pathways that others may find difficult. The APRC is a bold initiative to strengthen diplomacy and promote peace in the region. It also blends well with Malaysia's launch of the Global Movement of Moderates.

The first panelist, **Prof Dr Shamsul Amri Baharudin**, in placing the dialogue in its context,



Shamsul Amri Baharudin

noted that debates on diversity, diplomacy and peace go back to the notion of nation-building and state-building. Although a distinction is often drawn between nations and states, he suggested that we re-consider our analytical tools to look at notions of nation and state. No textbook in political science will separate the word nationstate illustrating the closeness between varying notions of nation and state. However, this is not seen on the ground. People talk about nations without states, states without nations and then of nation-states.

The question is how do we make sense of these three different notions of what is supposedly a nation-state. It forces us to reconsider our analytical tools in looking at these issues and problems, whether it is about diversity, diplomacy or how we conduct this dialogue.

We have nations without a state such as the Kurdish nation that is still seeking territoriality, citizenship and rule of law. We have states without nation like Malaysia which has a state but is still seeking its nation or 'Bangsa Malaysia' and then we have an example of a nation-state that is clear about its state and its nation, and that nation-state is Brunei. The challenge is to understand the different notions of nation available in society.

Then there is the competing notion of nation-of-intent and this is what we're looking at.

Many movements such as terrorist and secessionist movements have their views of the kind of idealized nation they want to create and are willing to fight for and even die for. If we don't understand the complexity of information on these nations-of-intent, then we will have a problem when we want to negotiate with the people who want to form such nations. What do we know about them? What do they want? What is in their imagination? These contending notions of the nation-of-intent are still there and are articulated in various movements, peaceful or otherwise.

We need to ask the question, what sort of nation do these people imagine they want, before we can have a dialogue with them. If we cannot find this out, we will be enforcing a particular brand or version of nation that we want but that they might not want. No matter how much we force them, if they have their own version of what they want, then they will fight for and die for that ideal.

Superimposed on these different notions of nations-of-intent are issues of traditional and non-traditional security as well as the quality of life sought by these groups. Their demands are not crude economic demands. Instead they are concerned over quality of life issues such as education and health. So in finding a space for peace, how do we find space for these different notions?

These issues of nation of intent, and traditional and non-traditional security, superimposed on the notion of the nation-ofintent and quality of life will be raised if a dialogue on diversity, diplomacy and development is

We need to ask the question, what sort of nation do these people imagine they want, before we can have a dialogue with them



Surichai Wun'gaeo

arranged. Competent analytical tools are the most important part in the process of understanding diversity and diplomacy.

On the other hand, **Prof Surichai Wun'gaeo** voiced his concern about the world becoming increasingly conflict-ridden, internationally, regionally, and locally. In order to address these conflicts, we need to reconcile our knowledge that is fragmented, in terms of the various disciplines engaged in addressing these conflicts, and the different groups we are addressing.

We must not label groups as rebels simply because they hold different notions of state. This is especially true in the Southern Thailand conflict which has been going on for nine years; the situation there demands more dialogue at the grassroots level, and this dialogue, instead of being merely a formal dialogue structure, should ideally incorporate more effective and meaningful means of peace-building.

In addition, civil society and institutions play an important role in resolving conflicts. Political initiatives from the government alone are insufficient for this task. Local communities who have been affected also need to be part of such efforts in rebuilding peace. Universities should be included as an important actor in facilitating public understanding and cooperation.

The state of Thailand today comprises approximately 15 ethnic groups. However, the numbers may be more since there has been no ethnicity-based national census carried out in the last 20 years. Hence, it is high time that the multicultural roots of Thailand be understood and the understanding of others within the state be broadened.

Given how other states are also facing similar issues in defining their nation-states amidst a globalized world, the initiative of the APRC becomes ever more important to alleviate inequality and conflict. Although economic integration has gained prominence as a viable strategy, markets can never integrate human beings. Humankind share too many values beyond market values alone and ASEAN must not let itself be dominated by the idea of a single market. The socio-cultural aspects of its citizens demand a much more sophisticated understanding of these issues so as to confront conflicts with more understanding.

Greater understanding is called for to properly address inequalities, conflicts, and potential violence. Thus, the various disciplines within social sciences need to work together, not separately, in order to face the difficult realities on the ground. We need to go beyond our simple linear understanding of what constitutes national, regional, and international and put them into the context of what is local, cultural, and historical.

In continuing the discussion, **Prof Dr David Kennedy** reflected on the asymmetrical

... economic development, as it is currently pursued, makes political conflicts more likely

relationship between economic development and societal cohesion. Although Asia has experienced a series of enormous successes in the foreground of its development, it has also seen increasing tensions both within and between societies in its backyard. Making a simple observation by thinking at the global level, Kennedy suggested that due to the political economic nature of these struggles, the problems cannot be addressed merely by state intervention or by the upgrading of market forces.

If the conflicts are rooted in the political economy, it will then raise questions on the distribution of growth, gains, and vulnerabilities that come with participating in a global marketplace. The classic issues of economic development — national economic strategy, the globalization of resources, maintaining the competitive advantage in a global economy, and managing the internal and external imbalances that arise from global growth — are common to all states.

With the growing awareness of the political-economic nature of conflict, there is also a growing understanding of the asymmetries. Not everyone is equally vulnerable to risks — things turn at a different speed in the global economy, and people can get left out, nationally and internationally. Rather than responding to this



A question from a member of the audience



David Kennedy

challenge, the public hand has everywhere become a force multiplier for leading sectors of nations and regions, harnessing national resources around national leaders. Thus national strategies which focus on pushing leading sectors actually make conflict more and not less likely. In fact, it threatens to make national development seem like a zero sum game. As a result, economic development, as it is currently pursued, makes political conflicts more likely. Real development takes place when carried out in the context of dynamic relationships. We can anticipate more, and not less, conflict as the global economy becomes more integrated.

With the rising political populism, nationalism has become a framework for interpreting political economic challenges. Economic competition has turned into political competition, thus reinforcing the cultural experience of local and national chauvinism. There is now no space to resolve these competitive struggles. Political and economic leaderships have drifted apart, even as they stress their linkages. If we are serious about doing something about this, we should turn things around. This requires reconnecting political and economic life, piece by piece, linking economic life to community, and generating transnational political constituencies.

Addressing disputes does not simply mean splitting resources and getting on with it, but rather, looking for opportunities to collaborate in pulling divergent political and economic interests together into productive engagement. In the long run, it is important that conflicts be engaged in a way that links estranged regions and political and economic interests.

During the question-and-answer session, a participant observed that to achieve peace, it is vital for people at the grassroots level to be happy. Although the political apparatus should ideally represent the people and bring about harmony, he saw an increasing disconnect between politicians and the people, which is happening because politicians no longer feel accountable to the people. He added that there exists this notion of `state capture' where the government uses the state apparatus to perpetuate itself. Given this background, he continued, what can we do to mend this broken bridge between political representatives and the people, and to build a stronger connection between them.

Wun'gaeo answered that the complexity involving politics and the people is something to be taken seriously. Fundamentally, politics should not be seen as something that should be left to the ruling elite to decide but rather, it should have society's well-being at heart. Dialogues and interactions need to be created among key actors of seemingly different worlds. In addition, these dialogues need to be as inclusive as possible.

On the other hand, Kennedy noted the increasing weakness in ties between government and the economy, at both global and local levels. We have been trying to create national politics and a global economy. We are now reaching an



Participants at the dialogue

inflection point where there is now tension between them. Hence the success of creating a global economy has disempowered politics at the national level. This has created the mobilization of political classes everywhere who are catalysed by economic interest. In order to solve this problem, we need to reverse the idea that all economic instrumentalisations ought to be legally constructed so that they can be parceled out and rearranged in every possible way across the largest possible terrain.

Another participant asked if the new emerging conflicts reflect the declining use of diplomacy in finding effective solutions. In addition, are the factors for these conflicts valuefocused, economy-focused or a combination of all other factors?

Kennedy replied that part of the management of diversity, invented in Europe and later in other places, was to transform questions of value eg. spirituality and personal identity, into either matters of personal citizenship or matters below the line of national sovereignty, thus taking them out of discussions at the global level. This approach did work for some time. However, it is now not difficult to imagine that in the process, some may have been cut off from the political and economic spheres. When discontent with outcomes in those spheres exists, it emerges through areas that have been marginalized.



Dialogue on Diversity, Diplomacy and Peace: Keynote Address

Prime Minister Mohd Najib Tun Razak delivered the following Keynote Address at the Dialogue on Diversity, Diplomacy and Peace, on 11 November 2013 at Putrajaya. The dialogue was jointly organized by the Institute of Strategic and International Studies (ISIS) Malaysia and the Asian Peace and Reconciliation Council (APRC), in conjunction with the Inaugural General Meeting of the APRC.

I am delighted to join you at today's Dialogue on Diversity, Diplomacy and Peace. It is especially heart-warming to see many friends and familiar faces among the distinguished members of the Asian Peace and Reconciliation Council.

I thank Yang Amat Berbahagia Tun Abdullah Ahmad Badawi, and His Excellency Dr Surakiart Sathirathai for their tireless efforts in convening the First Annual Meeting of the APRC in Putrajaya. And I commend ISIS Malaysia for coorganising today's Dialogue.

Our topics today could not be more important. Valuing diversity; privileging diplomacy; pursuing peace. Together, they could form a recipe for national success and international stability — not just in Asia, but in the wider world. So let me say a few words on each topic, starting with diversity.

Our planet is a kaleidoscope of peoples, cultures and nations. We speak in many tongues, worship in distinct ways, and live in different political and socio-economic systems. This diversity is a blessing, but it can sometimes be difficult to manage — as Asian and Southeast Asian nations, we know all too well.

Diversity is a big part of Malaysia's DNA; in many ways, it defines us. Ever since man began to set sail for distant places, the monsoon winds ensured that traders from near and far were brought to our shores. And they enriched these lands in more ways than one.



Mohd Najib Tun Abdul Razak

The Malacca Sultanate, which was a major trading centre in the 15th and early 16th centuries, would never have thrived unless it embraced with open arms a multitude of cultures.

Today, that tradition continues. Diversity is about much more than food, music or language. It also means inclusivity and our resolve to live side by side, living in harmony, trusting each other, sharing a common vision for our nation even during times of difficulty. For although we are different, we must not be divided. Malaysians of all ethnicities and religions should be bound together by respect, and the celebration of our differences.

It was with this ambition in mind that we embarked on the concept of 1Malaysia: an allencompassing national vision to ensure that



Participants at the Keynote Address

Malaysia remains, now and forever, a harmonious and peaceful nation. 1Malaysia is not about winning the election, 1Malaysia is about nationbuilding.

The path is not always smooth; we must continually re-assert our commitment, not just to co-existence, but to shared prosperity. It is a positive sign that the discourse is shifting from a question of mere `tolerance' to one of `respect,' deep mutual respect. Malaysia is not a perfect model of multiculturalism, but our commitment and even our devotion to the principle is clear.

In fact, our belief in multiculturalism is not merely the result of a fascination with the unfamiliar. It also stems from a pragmatic realisation: that a nation whose trade is valued at about 180 per cent of its GDP must make the most of its connections to the world at large.

Malaysia is not the only country in Asia that stands to gain from multiculturalism. Yet some see diversity as a source, not of strength, but of discord. The conflict between Buddhist and Muslim communities in Myanmar is one such example. Malaysia, like the international community at large, is deeply concerned by the ongoing violence. As it assumes an important and high-profile responsibility as Chair of ASEAN, it is right for Myanmar to resolve the issue in a comprehensive manner. Like in other countries with plural societies, nation-building in Myanmar will not be easy. But it is worthwhile: by embracing inclusion, a greater nation shall emerge.

Diversity is critical to building strong nations. But the underlying principles — i.e. of accepting our differences, embracing dialogue and defending the right to coexist — can also help us build a stronger region. It is here that I wish to turn to our second topic today: diplomacy.

Asian diplomacy has particular characteristics. Our experiences have been distinctive, shaped by our history, our culture and the challenges of our past.

Throughout history — whether as little kingdoms or great empires — Asian states have practiced different types of diplomacy. Today, we conduct international relations as modern states; observing universally-accepted principles, and still-evolving practices.

As we interact more closely with one another in a more integrated region and a more globalized world, so diplomacy has become more complex. In the past, rulers and authoritarian governments had more freedom to conduct diplomacy as they thought best; without the need to consult or to inform domestic stakeholders or external parties. Quiet diplomacy was the natural order of things.

That is no longer the case. As nations democratize, private enterprise grows and civil society expands, the pressure to engage more constituents in the making of diplomacy mounts.

It is a positive sign that the discourse is shifting from a question of mere `tolerance' to one of deep mutual respect



From left: Syed Hamid Albar, Mohd Najib Tun Abdul Razak, Abdullah Badawi and Mohamed Jawhar Hassan

Parliaments, chambers of commerce and wider public interest groups want their views to be heard, and acted upon.

Governments remain the primary instruments of diplomacy, but non-government institutions and citizens are playing an increasing role. Words like `track two diplomacy' and `citizens' diplomacy' are not just academic buzzwords, but a growing part of modern diplomatic practice.

The changing media landscape is also changing international relations, and challenging the concept of quiet diplomacy. Journalists pursue leaders and negotiators everywhere, searching for

Words like `track two diplomacy' and `citizens' diplomacy' are a growing part of modern diplomatic practice 'sound bites' at the expense of the discretion and confidentiality that are critical to the success of quiet diplomacy.

The challenge is amplified by the growing influence of blogs, which often operate without much restraint, and with questionable ethics; and by the unprecedented speech and reach of platforms like Twitter, where diplomatic practice is often brought before the public eye. Conducting diplomacy away from the glare of publicity is therefore becoming ever more challenging.

Yet there is still a role for quiet diplomacy — in the prevention of conflict, the containment of hostilities and the peaceful resolution of disputes. And there is no reason that it cannot co-exist with a more open and responsive foreign policy. Our task is to understand when greater openness and engagement will yield the best results, and when to focus on the quiet negotiation that has proven so successful in the past. And as Asia's prominence leads to growing influence, this mission assumes a greater importance.



From left: Surakiart Sathirathai, Mohd Najib Tun Razak, Abdullah Badawi and David Kennedy

The international media is filled with glowing headlines about Asia's rise. We are, as many put it, at the beginning of an Asian Century, one driven by unprecedented economic development.

Over the last three decades, Asia has indeed seen a remarkable modernization. But we must not allow ourselves to be seduced by hubris, or to fall into complacency.

For each family that escapes the clutches of poverty, far too many continue to be left behind. For all the wealth that has been created, far too little has found its way into the hands of the many.

According to the Asian Development Bank, 1.6 billion people in Asia live on less than US\$2 a day. That is three times the population of South East Asia as a whole.

Poverty has hardly become history in Asia: in fact, our societies have become more unequal. Since the 1990s, the Gini coefficient for Asia has risen from 33.5 to 37.5. If this is to be an Asian century, we must make sure that economic growth brings opportunities for all — not just a few.

This is not simply a matter of economic justice, it is also one of national stability. Poverty

We should be unafraid to use the power of persuasion to counter the misguided rallying calls of the extremists

Poverty and inequality have a destabilising and corrosive effect on societies

and inequality have a destabilising and corrosive effect on societies. Why should law and order mean anything to people who hardly benefit from them? Why should the marginalized support a political system if it only widens the gap between the rich and the poor?

For peace to prevail in Asia, we must set our minds towards levelling the field of competition, and creating opportunities for people to realize their dreams, irrespective of their economic backgrounds. That will do much to check the forces of instability which have wracked much of the Middle East and North Africa. But we must also confront one of the greatest threats to global peace and security: extremism.

We cannot afford to allow the voices of extremism to dominate the political discourse. It is time for the silent majority to drown out the calls to violence — to reject extremism.

We should not be cowed or held to ransom by elements that prefer to pursue their political goals and grievances outside the accepted norms of civilized society. Just as we abhor violence, so we must also stay firmly within the boundaries of international law in the persecution of extremism and terrorism.

Violence is not always the best tool with which to neutralize extremism. Although I wouldn't rule out that legitimate and lawful use of force is sometimes necessary, too often violence simply begets violence. A militarized response to extremism can feed a vicious cycle of revenge, and further inflame existing animosities. We believe that the main battlefield lies in the political sphere. Taking out the leadership of extremist groups, or disrupting their supply of weaponry will not always bring a lasting solution; often, it is a case of treating the symptom and not the disease. A better approach would be to undermine their very reason for being. We should be unafraid to use the power of persuasion to counter the misguided rallying calls of the extremists.

It was with this purpose in mind that we called for a Global Movement of the Moderates: a plea for the silent majority to stand up to extremism, and to support non-violence in conflict resolution.

It was the latest of a series of initiatives through which we have attempted to exercise a positive impact on the world. Malaysia's contribution to international peace and security can be traced back to the formative years of our nation. The first Malaysian peacekeepers served with distinction in the United Nations Mission in the Congo, from 1960 to 1963. We have since served in 13 other UN peace missions. Our commitment to the United Nations remains strong; our belief in its ideals unrelenting.

We have had the honour of serving in the United Nations Security Council three times previously, and, with the support and trust of the international community, we stand ready to serve a fourth term. We thank our friends who pledged their support for our bid for a non-permanent seat on the Security Council in the 2015-2016 term.

Closer to home, Malaysia played a key role in the Mindanao Peace Process and has begun to collaborate with Thai counterparts to begin laying the groundwork for peace in Southern Thailand.

If Mindanao is any indication, we expect that the road to stability in Southern Thailand will be a long and winding one. Nevertheless, we are committed to working with the government of Thailand to bring about meaningful peace in an area that has known violence and instability for far too long.

All states, including Malaysia, accord the highest priority and importance to the preservation of peace and security. I wish to register once more our gratitude to the men and women in law enforcement, and the security forces, whose sacrifices enable us to go about our daily lives in peace.

I also wish to pay tribute to another group of dedicated people whose contributions are often overlooked. I refer to the army of diplomats, politicians, bureaucrats, scholars and civil society advocates whose work contributes to the preservation of peace.

With this in mind, I warmly welcome the Asian Peace and Reconciliation Council, as a new regional advocate for conflict management and peace resolution. Between the 24 distinguished members of the Council, there is a wealth of practical experience and expertise that can assist in moderating and managing conflicts. Through quiet diplomacy, the Council can supplement official and government efforts. With its reservoirs of experience and wide networks, it can play an important role in reaching out to all parties and facilitating peaceful resolution.

So let me conclude by congratulating the APRC and ISIS Malaysia for their efforts in organizing this dialogue. I am heartened to see the close cooperation between these two institutions; and honoured by your collective presence today. I look forward to your support in keeping us on the path of moderation, peace and stability.



Council Members of the APRC with the Prime Minister of Malaysia





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