

China's investment in Malaysia:
what it really means P 16

RIP TPP? Not so fast, says
Firdaos Rosli P 14

With President Donald Trump, it's time
to expect the unexpected P 22

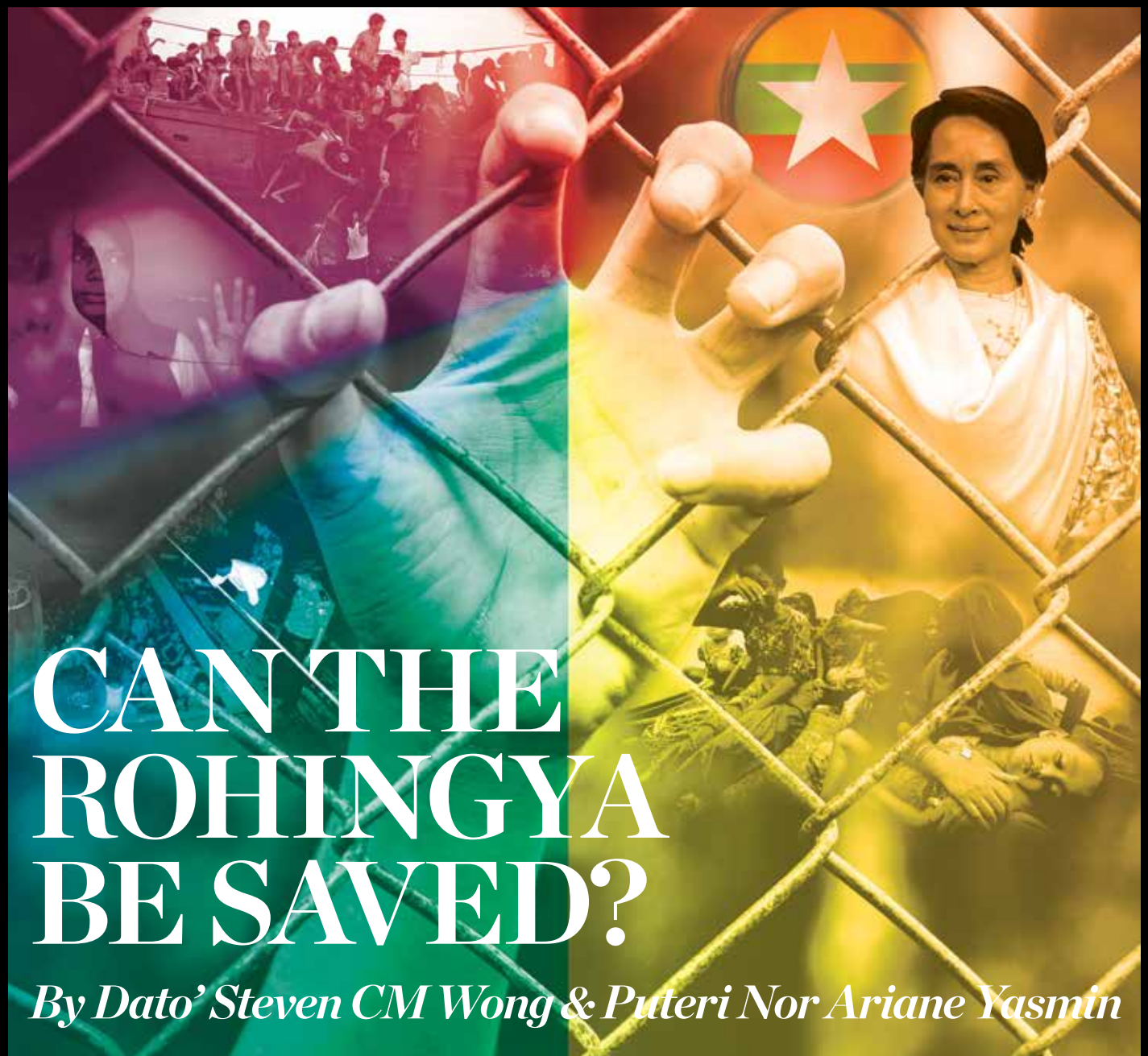
INSTITUTE OF STRATEGIC & INTERNATIONAL STUDIES (ISIS) MALAYSIA

focus



PP 5054/11/2012 (031098)

1/2017 ISSUE NO. 4 RM15



CAN THE ROHINGYA BE SAVED?

By Dato' Steven CM Wong & Puteri Nor Ariane Yasmin



Institute of Strategic and International Studies (ISIS) Malaysia

THE INSTITUTE OF STRATEGIC AND INTERNATIONAL STUDIES (ISIS) MALAYSIA WAS ESTABLISHED ON 8 APRIL 1983 AS AN AUTONOMOUS, NOT-FOR-PROFIT RESEARCH ORGANISATION.

ISIS Malaysia has a diverse research focus which includes economics, foreign policy, security studies, nation-building, social policy, technology, innovation and environmental studies. It also undertakes research collaboration with national and international organisations in important areas such as national development and international affairs.

ISIS Malaysia engages actively in Track Two diplomacy, and promotes the exchange of views and opinions at both the national and international levels. The Institute has also played a role in fostering closer regional integration and international cooperation through forums and networks such as the Asia-Pacific Roundtable (APR), the ASEAN Institutes of Strategic and International Studies (ASEAN-ISIS), the Pacific Economic Cooperation Council (PECC),

the Network of East Asian Think-Tanks (NEAT), the Network of ASEAN-China Think Tanks (NACT), the ASEAN-India Network of Think Tanks (AINTT), and the Silk Road Think Tank Network (SiLKS). ISIS Malaysia is a founding member of the Council for Security Cooperation in the Asia Pacific (OSCAP) and manages the Council's Secretariat.

As the country's premier think tank, ISIS Malaysia has been at the forefront of some of the most significant nation-building initiatives in Malaysia's history. It was a contributor to the Vision 2020 concept and was consultant to the Knowledge-Based Economy Master Plan initiative. It also produced the first ever National Interest Analysis to be undertaken on Malaysia's participation in the Trans-Pacific Partnership (TPP).

Institute of Strategic and International Studies (ISIS) Malaysia

1 Persiaran Sultan Salahuddin
PO Box 12424
50778 Kuala Lumpur

t: +603 2693 9366
f: +603 2691 5435
e: info@isis.org.my
w: www.isis.org.my



Institute of Strategic and International Studies (ISIS) Malaysia



@ISIS_MY

Contents

2 Does Taking a Hard-line Approach to the Rohingya Problem Work?

Strong words may not solve an issue that affects not just Myanmar but the region. Diplomacy, and understanding realities on the ground, are key to finding an internationally recognised path to peace, write Dato' Steven CM Wong and Puteri Nor Ariane Yasmin

7 Press Statement by the Asia Dialogue on Forced Migration

A call for holistic, humane and effective cooperation

8 Security Challenges in a Time of Mass Forced Displacement

Attitudes to refugees have hardened after terrorist attacks, but managing flows of migrants requires long-term solutions, says Puteri Nor Ariane Yasmin

10 New Management in Malacanang

President Duterte's style has caused consternation at home and abroad. Bunn Nagara asks what we can expect from the Philippines' new leader

14 There Will be TPP 2.0

Think the Agreement is finished before it ever went into effect? Not if history is a guide, argues Firdaos Rosli

16 What Prime Minister Najib Razak's Trip Really Means for Malaysia

Former ambassador to Beijing, Dato' Abdul Majid Khan, tells all to Harris Zainul

22 Trump: the Known Unknown

Many wonder what the new president means for the world. Does he even know himself, asks Sholto Byrnes



Editorial Letter

2017 is turning out to be an interesting if uncertain and – viewed from many quarters – a worrying year.

Newly inaugurated US President Donald Trump began his term with a flurry of 20 executive orders, some of which have proven to be highly controversial. Among these are the travel ban against seven Muslim countries (now being fought in the federal courts) and the withdrawal from the Trans-Pacific Partnership (TPP).

In this issue, Sholto Byrnes writes about President Trump and his administration, or the “known unknown” as he calls it. Firdaos Rosli addresses the issue of the US's TPP departure. Can the agreement be saved?

On the other side of the Atlantic, the United Kingdom's exit from the European Union has become clearer with Prime Minister Theresa May's uncompromising Lancaster House speech and the subsequent Parliamentary vote. The country is now on course to trigger Article 50 of the Lisbon Treaty on 31 March this year although the nature of the exit and its consequences remain to be determined.

We will be closely following this matter and its impact on Southeast Asia and Malaysia in following issues of *ISIS Focus*.

Given the uncertainties about US commitment to the region, China's profile, already high in the region, is destined to grow even further. Malaysian Prime Minister Najib Razak's November 2016 official visit to China reaped a bountiful harvest for both sides, with first-time purchases of military vessels. But is Malaysia becoming too dependent on China?

Harris Zainul interviews Dato' Majid Khan, former Malaysian ambassador to China and president of the Malaysia-China Friendship Association to find out.

Against the backdrop of major powers, it would be easy to overlook the human tragedy that is occurring in Myanmar's Rakhine State. The Rohingya are stateless, powerless and now an increasingly persecuted people. Malaysia has taken a leadership role in the defence of the Rohingya but it is far from clear that the tragedy can be alleviated simply by international and regional condemnations.

The feature pieces of this *ISIS Focus* document the ongoing work of ISIS Malaysia on forced migration, refugees and the Rohingya in particular. Puteri Nor Ariane Yasmin and Dato' Steven Wong contribute pieces on whether a hardline approach to the Rohingya problem will work and the security challenges in times of mass people displacements.

The Editors

Editorial Board

Dato' Steven CM Wong, Deputy Chief Executive
Elina Noor, Director
Bunn Nagara, Senior Fellow
Sholto Byrnes, Senior Fellow
Sathish Govind, Senior Analyst
Joann Saw, Publications Executive

Design by Carl Bergman

Published by the Institute of Strategic and International Studies (ISIS) Malaysia

1 Persiaran Sultan Salahuddin
PO Box 12424, 50778 Kuala Lumpur, Malaysia

Does Taking a Hard-Line Approach to the Rohingya Problem Work?

Condemnation of Myanmar could be counter-productive. Kofi Annan's advisory commission is the only pathway that carries international legitimacy



BY DATO' STEVEN CM WONG & PUTERI NOR ARIANE YASMIN



On 9 October 2016, large coordinated attacks hit three Myanmar border police posts in Rakhine State. Allegedly carried out by 250 Rohingya assailants armed with knives and slingshots, nine police officers were killed and the assailants fled with at least 50 guns and 10,000 rounds of ammunition. There have since been further deadly clashes between the Rohingya and the security forces, with the latter accused of rape, killing non-combatants, arson of villages and forcing hundreds out of their homes.

The violence in Myanmar has been described as genocide, particularly since humanitarian aid, foreign journalists and independent observers are largely not allowed to enter Rakhine State. Malaysia has been exceptionally vocal in its condemnation of the atrocities against the Muslim Rohingya minority by describing them as ethnic cleansing, despite Myanmar claiming that its sovereignty over its internal affairs should be respected. What do these developments mean for neighbouring countries, and for ASEAN and Malaysia-Myanmar relations in particular? What should be the way forward?

Keeping forced migration in the region quiet or below the radar, as affected countries have tried to do, is now untenable – especially after the highly publicised incidents of human trafficking and consequent international scrutiny over the last few years. A notable example was the graves found in abandoned trafficker camps on the Thai-Malaysian border during the Andaman Sea Crisis of May 2015. Forced

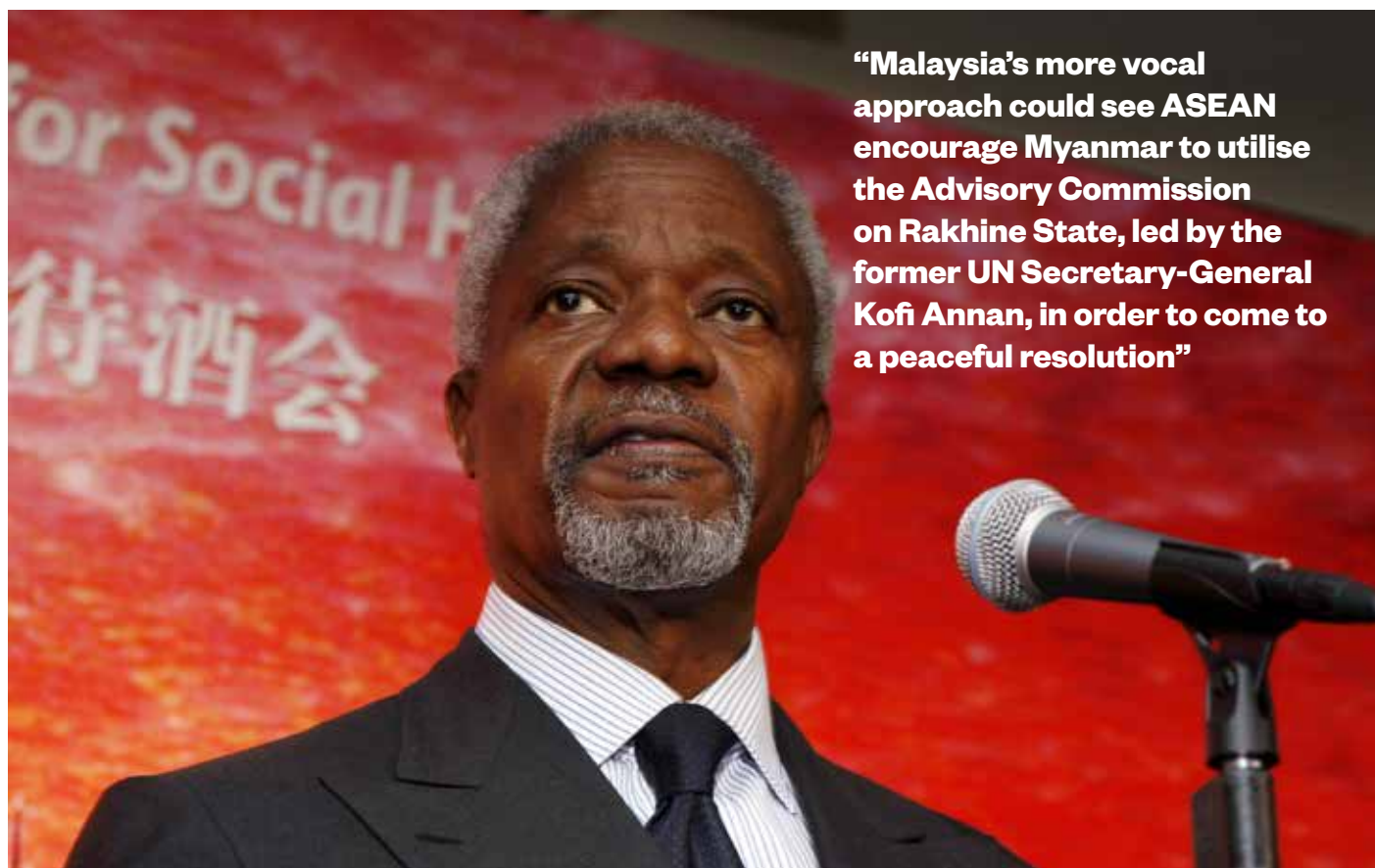
migration is borderless – the fact that instability in Rakhine State affects neighbouring countries is proof that it has become a transnational issue with profound security implications for the region.

First, there is the issue of mass displacement. The current movement of the Rohingya into Bangladesh, for instance, is an indication that there could possibly be a repeat of the Andaman Sea Crisis via the outflow of Rohingya refugees into neighbouring countries. These developments also serve as a reminder that Rohingya refugees, who are already in Thailand and Malaysia, are unlikely to return home anytime soon.

Second, there is the threat of a rise in jihadist sentiments in the region. There are two dimensions to note. On the one hand, developments in Rakhine State signify that after decades of persecution and violence, without aid or intervention, there are groups within the Rohingya themselves who are turning to violence in their desperate attempt to survive. This has resulted in the emergence of new militant groups, such as the Bangladesh-based Harakah al-Yaqin and the Aqa Mul Mujahidin. These groups have been linked to the attacks on 9 October by online and government sources.

On the other hand, there is the possible rise of jihadist sentiments in neighbouring countries. According to Singapore-based terrorism analysts Jasminder Singh and Muhammad Haziq Jani, the Rohingya crisis in Rakhine State may fuel a militant Muslim backlash in Southeast Asia.*

* Jasminder Singh and Muhammad Haziq, "The Rohingya Crisis: Regional Security", *RSIS Commentary* 293/2016, 2 December 2016.





For instance, their observation of Indonesian social media users reveals a willingness to become suicide bombers in defence of the Rohingya. This was echoed by Daniel Russel, the Obama administration's top US diplomat in East Asia, when he called on neighbouring countries like Malaysia and Indonesia "to resist the urge to stage protests that could further stir religious passions". It should be noted that Malaysian Prime Minister Dato' Sri Najib Razak framed the violence against the Rohingya as an insult to Islam. He also called on Indonesian President Joko Widodo to stage a similar rally in Jakarta, using the protection of human rights in the ASEAN Charter as a basis to pressure Myanmar.

On the contrary, U Ko Ko Hlaing – adviser to former President U Thein Sein – stated that the ASEAN Charter stresses the importance of non-interference in the domestic affairs of member states. The difference in opinions on the ASEAN Charter raises a number of questions for the organisation. Should Malaysia be hailed for its regional leadership in bringing human rights issues to the forefront? Or has the Government's tough stance opened a Pandora's Box, as some commentaries have noted? Will ASEAN member states start to intervene in the domestic affairs of their partners? If so, how will this affect peaceful relations in the region?

A positive outcome of Malaysia's more vocal approach could see ASEAN encourage Myanmar to utilise the Advisory Commission on Rakhine State, led by the former UN Secretary-General Kofi Annan, in order to come to a peaceful resolution. There could also be a push to utilise existing structures, such as the Bali Process and the ASEAN Convention Against Trafficking in Persons, Especially

Women and Children, to mitigate forced migration in the region. ASEAN could even encourage signatories of the 1951 Refugee Convention and its 1967 Protocol to measure up to their international obligations vis-à-vis resettlement and mutual assistance.

However, these scenarios could be wholly unproductive if condemning the Myanmar government continues as the tactic of choice. Instead, there must be an understanding of the facts on the ground and the political realities in Myanmar in order to help strengthen its civilian government and bring a stop to the humanitarian crisis. There are three key facts worth noting.

First, the ongoing conflict in Rakhine State is a politically live and sensitive issue in Myanmar. The Bamar-majority government of the day cannot afford to be seen as soft on the Rohingya issue as there would be political consequences. Many experts argue that it would not have been politically expedient for the National League for Democracy (NLD) to address the Rohingya issue ahead of the 2015 elections. Any statement could have fuelled tensions between the majority Buddhists and the Rohingya, particularly given the violent clashes that occurred in 2012.

Second, the nature of the government in Myanmar is such that it must work in unison with the military. This stems from constitutional changes that were made in 2008, including the appointment of the defence, home and border affairs ministers by the military, as well as their "right to independently administer and adjudicate all affairs of the armed forces". In other words, all security affairs in Myanmar are controlled by the military.

Third, such a resolution can only be achieved via

“The President’s Office has dismissed the Malaysian Solidarity March as a ‘calculated political decision to win the support of the Malaysian public’”

diplomatic means as it is the military, and not Aung San Suu Kyi’s NLD, that controls Rakhine State. During the election in 2015, the NLD only won nine seats at the state level. The Arakan National Party (ANP) won 23 seats, the military-supported Union Solidarity and Development Party won three seats, and 12 were unelected military seats.

Therefore, just condemning the Myanmar government may be counterproductive in pursuing an outcome that benefits all parties – a peaceful resolution and the prevention of a humanitarian disaster. Criticising the NLD-led government only risks straining its power-sharing agreement with the military, and also makes it harder for it to negotiate with the elected officials in Rakhine State. The fact that the Myanmar military has reportedly opened an investigation into the abuse of Rohingya by security forces is an encouraging start. The government should be encouraged and supported to ensure it is open and transparent enough in its efforts to resolve the Rohingya crisis so that third party observers will (eventually) be allowed to enter Rakhine State.

With regards to Malaysia, its vocal stance against the Myanmar government is rendered inconsistent without the adoption of an asylum policy. There are now fourth generation Rohingya in the country, with 54,856 registered with the UNHCR (the numbers are less clear for those who are not registered). Current developments in Rakhine State may result in a “double whammy” for Malaysia – as the return or repatriation of the Rohingya back to Myanmar is unattainable, and new flows into the country is a possibility given spillover effects from previous conflicts in Rakhine State. Malaysia’s “policy of not having a policy” could be a liability especially after its recent outspokenness.

Moving forward, it is imperative for the Government to work with international and regional agencies to ensure safe and orderly migration, to reduce forced migration in Malaysia and the region overall. A Malaysian asylum policy should also address what happens to the Rohingya during the period between refugee status determination and repatriation or resettlement, particularly since they are likely to remain in the country for some time. Most



importantly, greater diplomacy is needed to restore friendly relations with Myanmar.

Eventually, if Malaysia is to lessen or resolve the Rohingya problem, bilateral government-to-government protocols are needed to facilitate repatriation (both voluntary and involuntary), and also to enable the legal take-back of those that do not qualify for refugee status. Malaysia’s condemnation of the Myanmar government, in its support of the Rohingya, has resulted in negative reactions from Naypyidaw. The President’s Office has dismissed the Malaysian Solidarity March as a “calculated political decision to win the support of the Malaysian public”. It has since suspended sending workers Malaysia and summoned the Malaysian ambassador over the Prime Minister’s “genocide” comments. Tense relations will contribute very little towards solving the Rohingya crisis in both countries.

Any approach to stabilising developments in Rakhine State must strike a balance between recognising that Myanmar’s security forces do have the right to act in restoring peace and security, while convincing them that their reported actions against the Rohingya risks inviting full scale insurrection and participation by outside parties. Because forced migration is transnational and the Rohingya crisis has become a regional issue, the responsibility to solve current developments in Rakhine State should not fall on the Myanmar government alone. The Advisory Commission on Rakhine State should be supported and facilitated, for it is the only pathway to peace that carries international legitimacy. ●

Dato’ Steven CM Wong is the Deputy Chief Executive and Puteri Nor Ariane Yasmin is an Analyst in Foreign Policy and Security Studies, ISIS Malaysia

Press Statement by the Asia Dialogue on Forced Migration

*29 November 2016:
Situation in Rakhine
State in Myanmar of
grave concern – the
region must be on high
alert. Mass displacement
inevitable if violence
continues to escalate*



The co-conveners of the Asia Dialogue on Forced Migration (ADFM) view with serious concern the increasing reports of violence against the people who identify themselves as the Rohingya in Rakhine State, Myanmar.

Myanmar security forces have the right and responsibility to ensure national security and prevent violent extremism. However, reported direct action against a group of Rakhine residents, including women and children, as well as the blocking of international humanitarian assistance, will not help resolve the long-standing interethnic conflicts or contribute to the conditions necessary for such a resolution.

If anything, these actions, and if reports of alleged atrocities are true, are likely to make the problem more unstable and intractable, thereby undermining the security of Rakhine State and the Myanmar nation. As can be seen from other recent sub-regional conflicts around the world, the situation now is more, not less, likely to escalate. Persecuted groups that are left without political options and hope will inevitably see some turning to violence in their desperation.

The developments in Rakhine State also do not help cement Myanmar's diplomatic image as a fast-emerging, modern and democratic nation in the eyes of the international community. The legitimacy and effectiveness of the Advisory Commission on Rakhine State, chaired by former United Nations Secretary-General Mr Kofi Annan, is likely to be undermined by the reported actions of the military against civilians. The basis for any form of resolution will require not only law and order but also justice, trust and confidence.

As demonstrated in recent years, most recently by the Andaman Sea Crisis of May 2015, instability in Rakhine

State affects neighbouring Bangladesh, Thailand, Malaysia, Indonesia, Australia and surrounding states. Many of these states already house large numbers of Rohingya asylum seekers. Dimming prospects for peace and eventual resettlement, along with the threat of new flows, mean that the region as a whole cannot remain casual and indifferent observers.

The co-conveners of the ADFM believe that the best way to stabilise the current situation from further deteriorating is to:

- (a) Cease all hostilities against civilian populations in order not to compound the humanitarian crisis and fuel further discontent and violent extremism;
- (b) Allow trusted humanitarian assistance agencies to operate without restriction in Rakhine State in line with national religious beliefs, universal norms and international law; and
- (c) Continue to adopt a constructive, peaceful and legitimate approach by facilitating and relying on Kofi Annan's Advisory Commission on Rakhine State.

The ADFM's concern is for holistic, humane and effective cooperation and action on forced migration in the region, one which preserves the sovereignty and dignity of Myanmar but also those people who self-identify as Rohingya. 🌐

The ADFM is jointly convened by the Centre for Policy Development, Australia; the Institute for Human Rights and Peace Studies, Mahidol University, Thailand; the Indonesian Institute of Sciences; and the Institute of Strategic and International Studies (ISIS) Malaysia

Security Challenges in a Time of Mass Forced Displacement

The open borders many countries had towards refugees are now shutting. But forced migrants will still come. How do countries manage issues such as integration, permits to work, and just keeping track of who exactly is within their borders?



BY PUTERI NOR ARIANE YASMIN



Angela Merkel's "open door" policy to refugees might soon slam shut. Germany is set to tighten its security by detaining failed asylum seekers for an extended period, imposing tougher rules on those who provide false information and ensuring suspected extremists wear electronic tags.

These developments are in response to a terror attack in Berlin last December, when a Tunisian asylum seeker drove a truck into a Christmas market killing 12 people. Daesh claimed responsibility, as it did for two attacks in Bavaria over the summer that wounded 20 people. The assailants also came to Germany as asylum seekers.

Germany's transition to a tougher regime indicates that security is now the primary concern when managing forced migration. The open borders countries had towards refugees are now closing. This is due in no small part to the threats they pose to security, and to domestic sentiment. In order for countries to afford at least temporary protection for those seeking refuge, these concerns must be addressed in a decent and humanitarian manner.

This entails the adoption of a security system that comprises three key features.

First, there should be a data-capturing system in place at the main points of entry into the country. An unknown quantity of persons – whether or not they are refugees or asylum seekers – coming into the country is a security risk in itself. The risk is heightened in the case of refugees and asylum seekers because they typically enter borders illegally in large numbers. They are also generally without identity papers or records, as was the case in the Andaman Sea Crisis of May 2015.

Whether or not a country recognises refugees, there is an undisputed security benefit in knowing precisely who is in one's territory. It allows for better management of the refugee problem – no control over borders will lead to no control over refugees within those borders, as not being in the system enables forced migrants to move irregularly without being monitored by official channels. Biometric collection upon arrival enhances intelligence and surveillance, both of which are imperative to ensuring the feasibility of a security system.

Second, refugee status determination (RSD) should form a part of the solution. It is a selective vetting process that includes background checks and security clearances

"Managing mass forced displacement is a complex problem. While it is impossible for governments to cater for all refugees, it is possible to minimise the security risks of forced migration"

to differentiate those who are legitimate refugees from those who are not. Because Malaysia does not have an asylum policy, RSD is solely conducted by the United Nations High Commissioner for Refugees (UNHCR). It is thus imperative for the government and the UNHCR to work in unison, as RSD appears to be the only means available to weed out and remove the security threats of forced migrants in the country.

For those who do not qualify as refugees, bilateral government-to-government protocols or memorandums of understanding are needed to repatriate migrants, both voluntary and involuntary. The importance of data collection at borders or a national database cannot be emphasised enough – identity information is needed to facilitate the legal take-back of failed asylum seekers via the appropriate documentation, such as passports.

There are also instances when it is impossible to repatriate failed asylum seekers, as they are not recognised as citizens by their own governments. Indeed, this was the case with the Tunisian migrant in the Berlin Christmas market attack – he was not deported even though his asylum application was rejected. These scenarios merit the isolation and prolonged detention of failed asylum seekers, which must be done in a humane manner. Germany's new rules on failed asylum seekers are an example to follow.

For those who have been granted refugee status and thus UNHCR cards, there are still security risks to consider. These risks depend on whether refugees are "treated as a short-term humanitarian problem rather than as a long-term integration challenge," as Daniel Byman of the Brookings Institution puts it. If refugees are ghettoised or marginalised, and are living in limbo off the grid, their vulnerabilities as forcibly displaced persons fleeing conflict or persecution will be more pronounced. In such conditions, away from being integrated into society, there is the added risk that refugee communities could develop separate subcultures that stray beyond the values and norms of mainstream society.

Therefore, UNHCR cardholders should be given opportunities to be self-reliant while they are awaiting their return home or resettlement to third countries. These include permission to work legally, which would help remove refugees from the informal economy and underbelly of society. In other words, not providing refugees with adequate opportunities to be self-reliant is a security risk in itself, as they will be forced to continue to resort to social ills, such as criminal activities and violence, in their desperate attempt to survive.

Finally, domestic laws need to be revised in order to grant UNHCR cardholders that permission to work. This is necessary given that in Malaysia, for instance, refugees are deemed illegal by laws concerning immigration and employment. Current legal provisions do not distinguish refugees from illegal immigrants. Amendments are needed to include a conditional exception clause that will specifically address refugees in the relevant laws, such as the Immigration Act 1955 and the Employment Act 1955.

Examples include Japan, where refugees are employed in most sectors except the civil and public services, and Switzerland, where refugees are limited to working in construction, nursing and maintenance institutes, food and drink manufacturing, hotels and catering, laundries, and mending shops.

Managing mass forced displacement is a complex problem. While it is impossible for governments to cater for all refugees, it is possible to minimise the security risks of forced migration. Security must be viewed as the number one concern when dealing with forced migrants, and a security system must be adopted accordingly. Not having a security system in place will signal an open door to forced migrants. Its absence is certainly a pull factor for refugees and asylum seekers to keep coming to a country in which it is relatively easy to live and work illegally below the radar. ●



New Management in Malacanang

President Duterte's no-holds-barred style has caused consternation internationally and upset the Manila elite. What does his administration hold for the Philippines – and for nervous neighbours?



BY
BUNN NAGARA

Philippine politics at the national level is nothing if not family-based interclan politics. There are nuanced undercurrents at the intra-family level within the rich and powerful households, but these are mere sideshows to the main event of feuds between families in the guise of democratic discourse. The head of the ruling clan ensconced in Malacanang Palace, formally designated the President, is often a strongman in the form of a caudillo, the iconic Hispanic ruler – the typically powerful, charismatic landowner combining political authority with firepower to enforce his will in the land.

Such is the feudal make-up of the 20th and 21st century Philippines, even though some of its features may have undergone some modifications. The two most prominent political families are the Marcoses and the Aquinos, between them having directly governed or misgoverned the country for nearly half the Philippines' 70 years of independence – so far. Ferdinand Edralin Marcos began his elected presidency in 1965 but morphed into a dictator through martial law from 1972. But even after lifting martial law in 1981, Marcos remained very much the caudillo.

With ailing health, brutal rule, widespread allegations of massive corruption and charges of election fraud, Marcos was dislodged from office by a street revolution in 1986. Political rival and opposition leader Corazon Aquino, widow of Marcos's chief critic Senator Benigno "Ninoy" Aquino Jr, became the new president by default. After another three presidents, her

son Benigno Aquino III took office. At the end of his non-renewable term of six years in 2016, it had become clear to many Filipinos that the latest scion of a dominant political family was no recommendation for yet another.

President Benigno "Noynoy" Aquino III had all the trappings of the privileged political elite, but little of his mother's idealism for economic redistribution or the forcefulness of a caudillo. Despite growth of five percent year on year, the rich-poor gap widened. While on paper the growth looked creditable, the economy remained hobbled by low productivity, a largely unskilled workforce, policy gridlock, stagnant land reform and lacklustre investment in a vast agricultural sector. For many, it was time for a change in leadership.

The next president would be the exact opposite of the dithering, evasive, sophomoric and legalistic Aquino: someone with none of the privileges or trappings of a political family, instead boasting a brash, brusque, hands on, no nonsense, forceful character, and unburdened by the refinements of the landed gentry or the political correctness of the bourgeoisie. This was tough-talking Rodrigo "Rody" Duterte, the erstwhile Mayor of Davao City with the persona of being from the wrong side of the tracks. He would be the Philippines' version of Donald J Trump, his story a Filipino take on *Mr Smith Goes To Washington* (With A Flamethrower).

However, even before Duterte went to Manila to clean up, his reputation as take no prisoners Davao City mayor had preceded

him. Tough on crime and particularly on drug trafficking and corruption, his no-holds-barred style was not above bending the rules and stretching the law to get at criminal suspects. Some argue he was downright controversial, and remains so, by encouraging if not actually procuring death squads to kill suspects without regard for due process.

Duterte repeatedly said he would kill thousands of suspects without bothering with a trial. A daily average of 40, including innocent bystanders, were killed, most of them by persons unknown, in the first three months of his presidency. Nicknamed "the Punisher" after a brutal comic book vigilante enforcer, Duterte was the stern disciplinarian whose killing spree was condemned at home and abroad by what he regarded as the effete and ineffectual Manila elite.

Lee Kuan Yew once upset that elite by remarking that Philippine progress needed a leader who could enforce discipline, but nobody expected it would come in the form of Rodrigo Duterte. Here was another caudillo, albeit without a privileged background, but with no shortage of power (forcefulness) and charisma (populism). As he settled into his first 100 days as president, Duterte claimed 600,000 drug dependents had already surrendered in response to his ultimatum – with another 2.4 million more to go. And if necessary he was prepared to kill them all.

President Duterte has so far applied more fear than discipline to obtain the results he wants. Strong on hyperbole, he has said he would kill 100,000 criminals and issue "a thousand pardons a day" for police and soldiers accused of human rights violations. Crime statistics in Davao City vary according to the source. He claims that incidences of crime dropped dramatically during his

tenure as mayor, although he has alternately acknowledged links and denied responsibility for extrajudicial killings by vigilantes.

This penchant for provocative and outrageous overstatement has carried over from Duterte's mayoralty to his presidency. It colours his domestic policy vividly and tinges his foreign policy similarly. If some foreign counterparts have learned to live with it, others may have chosen to hold their breath for six years until his term ends. Pragmatists, however, have opted to assess Duterte on his deeds rather than his words, while keeping a sharp eye on his not infrequent policy turns.

Aquino's administration chose to confront China over rival disputed claims to territories in the South China Sea. After a standoff between Philippine and Chinese ships in the Panatag/Scarborough Shoal in April 2012, Manila filed a case with the Permanent Court of Arbitration (PCA) in The Hague the following January. Aquino's Philippines appeared to be moving closer to its military ally the United States, with the signing of the Philippines-US Enhanced Defense Cooperation Agreement (EDCA) in 2014 giving US forces greater access to Philippine military facilities.

In July 2016, the PCA announced its verdict in favour of the Philippines, as many had expected. China had already rejected the jurisdiction of the court and any finding it would produce. However, the Philippines appeared to have only proven a point without the court verdict ever being enforceable. The crux of the matter was that Manila had merely won on principle, at the probable cost of damaging relations with Beijing – crucially, a precarious new position just 12 days into Duterte's presidency.

Before becoming president, Duterte had pledged to confront China personally on the high seas. He said he would even ride a jet ski to a disputed outcrop and plant the Philippine flag there. By the time he came to occupy Malacanang, however, he had made a U-turn on precisely that point. His embrace of Beijing came as a surprise or anti-climax to many Philippine watchers. Nonetheless, within the country he seemed to have reconfigured the mood as he forged a reset in relations with China.

Much in Duterte's motives lies in what he believes he can get from China. Most of the narcotics said to be flooding the Philippines have been traced to China-based suppliers. He had said that only China could help the



“He claims that incidences of crime dropped dramatically during his tenure as mayor, although he has alternately acknowledged links and denied responsibility for extrajudicial killings by vigilantes”

Philippines in this connection. He therefore needed the fullest cooperation from the government in Beijing to root out the drug trade.

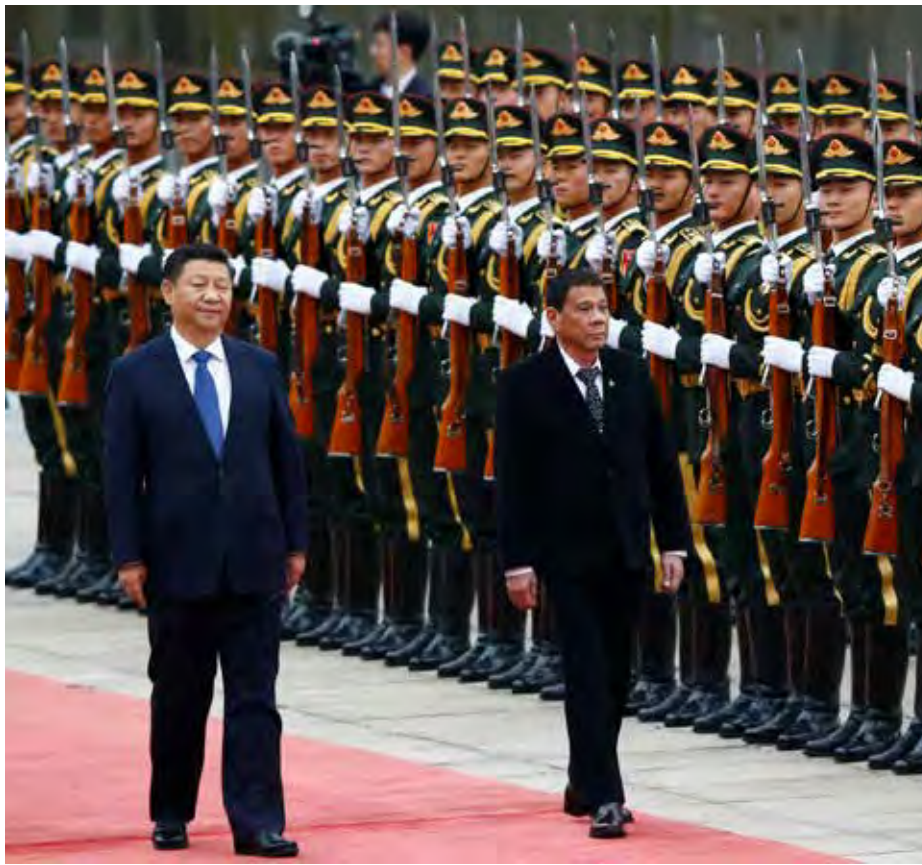
At that time, President Obama happened to echo human rights organisations in condemning the wanton killings in Duterte's war on drugs. In a time of widely perceived contending interests between the United States and China in Southeast Asia, Washington had unwittingly walked into the crossfire by mishandling Duterte. On his first visit to Beijing in October, Duterte cursed Obama for his reprimands when his Chinese hosts instead supported his war on drugs.

Duterte also had an eye to Chinese assistance in infrastructure development and investment in the Philippines. In contrast to his predecessor Aquino, he said he would trade the disputed islands in the South China Sea in return for a good inner city train system from China. Although unpredictable and inconsistent, his statements are still seen as a rough guide on the direction the Philippines will be taking. While in Beijing, Duterte said that although he would retain security treaty relations with the United States, Philippine foreign policy towards Washington would change.

On the eve of meeting President Xi Jinping, Duterte said he was pivoting to China instead of long-time ally the United States. Later he said he would embrace both China and Russia, resolving not to visit Washington. He also cancelled all future joint military exercises with US forces and questioned the terms of security treaties, such as the Visiting Forces Agreement and EDCA. These treaties, which give US forces an added reach in Philippine military bases, had already been criticised by nationalist and leftist groups.

Duterte appears not to operate with a distinct or identifiable ideology. His party, PDP-Laban, was in fact the coalition vehicle forged by Corazon Aquino in 1986. Lakas ng Bayan (Laban) was the political party founded by Benigno “Ninoy” Aquino in 1978, while PDP (Partido Demokratiko Pilipino) was founded by Aquino ally Aquilino Pimentel Jr of Mindanao in 1982. In 1986 they merged to form PDP-Laban, the largest opposition group to challenge President Marcos, with Corazon as presidential candidate, as she was deemed to have the best chance of defeating Marcos in snap polls that year.

The thematic ideals of PDP and Laban fused as the parties formally merged, coming to represent humanism, democratic socialism, and consultative and participatory democracy.



“On his first visit to Beijing in October, Duterte cursed Obama for his reprimands when his Chinese hosts instead supported his war on drugs”

By far the most pressing issue relating to Malaysia is the future and prospects of peace talks between Manila and the MILF, in which Malaysia plays a peacemaking facilitator role. Duterte has consistently expressed the desire to continue with the talks, possibly because as a “Mindanaoan” he feels a greater responsibility to ensure peace as a deliverable. Granting greater autonomy in Mindanao also gels with his efforts towards a federalist structure for the Philippines. However, his insistence on including other rebel groups in the talks, such as the prickly faction of the Moro National Liberation Front (MNLF) led by his friend Nur Misuari, may be a recipe for disaster.

Turmoil in Mindanao, or at least in the south-western corner of the island, is not just between rebels and the Philippine government. It is also a power struggle for authority, legitimacy and, ultimately, funds and resources among rebel groups. The previous government had settled on dealing exclusively with the MILF, as it was (and remains) the largest and most credible rebel group. Once a deal with the MILF is settled, MILF officials would take over governance and settle outstanding issues with the other groups themselves. But by reformatting the talks by including other (rival) groups like the MNLF, the prospect of the talks taking shape at all may be jeopardised.

Nonetheless, this is an issue for the various Philippine players themselves to resolve. The hope is that good sense and pragmatism will prevail, but there is no guarantee of that if Duterte’s personal friendships with particular individuals take precedence. Ultimately, the common interests of the Philippines, Malaysia and the ASEAN region in general should be of considerable importance. It is to be hoped that the Duterte administration will give them greater prominence and priority. ●

Bunn Nagara is a Senior Fellow in Foreign Policy and Security Studies, ISIS Malaysia

With its roots in the struggle against dictatorship in the Marcos years, it also stands for freedom, solidarity, justice, equality, social responsibility, enlightened nationalism, and a federal system for Philippine provinces, with a shift to a parliamentary form of government. However, Duterte’s idiosyncratic style has seemed to make personal and impulsive decisions more prominent than standard institutional practice.

It has also made for some apparent anomalies. Duterte’s friendship with Ferdinand “Bongbong” Marcos Jr led him to name Marcos as his preferred successor rather than his elected vice president, Leni Robredo, if he were suddenly incapacitated. Duterte has also appointed as Cabinet Secretary Leoncio Evasco Jr, a former priest and militant leader of the Communist New People’s Army. Given such seeming discrepancies, in late 2016, Evasco launched the Kilusang Pagbabago mass movement, poised to become a new political party with the aim of sharpening Duterte’s delivery of social goods to the masses.

Much in the Duterte administration’s handling of issues is largely or solely a Philippine affair. It is only those areas impinging on other national jurisdictions and entitlements that may concern other countries. For Malaysia, three areas in particular are

paramount: peace talks between the Philippine government and the Moro Islamic Liberation Front (MILF), the claim to Sabah territory by descendants of the defunct Sulu sultanate, and overlapping claims to territory in the Spratly Islands in the South China Sea.

Rival claims between Malaysia and the Philippines in the Spratlys are not a significant issue as such. The overlapping area is among the smallest among the six claimants (Brunei, China, Malaysia, the Philippines, Taiwan and Vietnam). Neither the Duterte administration nor its predecessors, nor Malaysia, has made the area in question a major challenge for either side. However, Duterte’s warming to China may complicate or skew dealings over other rival claims between the other countries.

Despite Duterte’s proclamations broadly in support of the former Sulu sultanate’s family in respect of Sabah on the eve of becoming president, he has said and done nothing to advance that position since his inauguration. It is extremely difficult if not impossible even to mount a credible argument in their favour in the context of international law. No Philippine president has been able to achieve that even if they had wanted to. Since Duterte is a lawyer by training, with greater familiarity he should know the improbability of their case.

THERE WILL BE TPP 2.0



BY FIRDAOS ROSLI

US President Donald Trump's decision to withdraw from the Trans-Pacific Partnership (TPP) gave this writer the feeling of déjà vu. Have we all forgotten that the US-Korea Free Trade Agreement (Korus) was negotiated and concluded during the George W Bush administration, but was only ratified during the Obama administration four years later? Have we forgotten that Hillary Clinton's flip-flopping stance on the TPP in 2016 was glaringly similar to her approach to Korus in 2008?

Why are we dismissing the fact that Trump's arguments against the TPP were a carbon copy of Clinton's against Korus then? The TPP is following the exact same script but with different actors, and this is why the agreement could be about to face a similar fate – a renegotiation of a newly concluded trade deal.

The window during the changing of the guard leaves plenty of room for arm-twisting by putting the blame on a mutually

agreed deal, by saying that in its current form it will do more harm than good to the US.

From the economic standpoint, many analysts took Trump's hostility and presidential campaign rhetoric at face value, without realising that it was indeed a winning strategy. So if the endgame is to renegotiate a (recently) concluded agreement, what is the way forward for all TPP signatories and, particularly, Malaysia?

Let us start by recognising the fact that the TPP, in its present form, is dead. The present deal can only be pronounced "dead" once Trump proceeds with a formal withdrawal according to Article 30.6 of the Agreement.

Malaysia and all TPP signatories are clinging to the hope that the deal will eventually come into effect, with or without the US. The Agreement is undoubtedly the most ambitious economic liberalisation and integration initiative the world has ever seen, and is a high stakes poker game for all of its signatories in many different ways. However, without the US as the largest member of the pact, TPP signatories would likely review their existing offers and this would reduce the quality of the overall package that we have today.

Just like Korus, the TPP will return to life slowly but surely. Based on his campaign statements, Trump understands the economic and geopolitical ramifications of burying the trade deal at a time when the Asia-Pacific region is increasingly economically integrating.

At the time of writing, Japan is the only country that has successfully ratified the Agreement. Singapore and Malaysia are ready to do so provided there is a clear direction from the US. But there are also signatories that prefer to take a wait-and-see approach, such as Vietnam and Australia.

It is very unlikely that Trump is willing to take a chance on going against the wishes of big US business lobby groups. The US Chamber of Commerce, as the world's biggest business association and largest lobby group in the country, is probably the number one supporter of US involvement in and leadership of the TPP. As far as the TPP is concerned, the Chamber is of the view that for as long as Asia-Pacific countries are economically integrating with one another, US exports will continue to be sidelined and left "on the outside, looking in".

Most recently, Trump's choice to lead the US State Department, Rex Tillerson, is a member of the Business Roundtable (BRT), yet another major pro-TPP business lobby group, and one that includes CEOs of large American conglomerates, such as Walmart and General Electric (GE). In January 2016, Karan Bhatia, Vice President and Senior Counsel, Global Government Affairs and Policy of GE, testified in support of the TPP before the United States International Trade Commission (USITC). He highlighted the potential benefits of achieving regulatory coherence in Asia-Pacific markets and, similar to the US Chamber of Commerce's views on the TPP, supported the "opportunity for the United States to demonstrate leadership in this

critical region". Bhatia served the Bush administration as the Deputy United States Trade Representative (USTR) and led both the Korus and Malaysia-US FTA negotiations.

These are some of the many big names behind a loose lobby pact called "The US Business Coalition for TPP". There are others who openly urged the USTR and US President Barack Obama to continue playing a leading role in trade and economic integration within the Asia-Pacific region.

Some analysts are predicting that China or the Regional Comprehensive Economic Partnership (RCEP) will fill the void left by US withdrawal from the TPP. That is, of course, a very simplistic view of the dynamics of both the RCEP and TPP because they differ in terms of objective, scope and depth of liberalisation.

The fact remains that, even after four years, the RCEP is still far from conclusion. Contrary to popular belief, the negotiation is being led by ASEAN and not China, which is often considered to be the main mover in the negotiations.

In fact, there is no prime mover in the RCEP negotiation at all. ASEAN negotiates as a 10-member coalition as it is not a customs union or a single market. The real problem in the negotiation is that the nominal leader, ASEAN, is large in terms of membership but not in economic size. Besides, China has no interest at present in negotiating over issues, such as labour and state-owned enterprises, as other initiatives, such as the Asian Infrastructure Investment Bank and One Belt, One Road, fit into their economic policy better.

So then, there is no doubt that there will be a TPP 2.0 because what President Trump wants is a renegotiation. It is just a question of time. US withdrawal from the TPP is no longer about the Agreement itself but more about what comes after the TPP is dead and buried.

President Trump's move to dump the TPP also means that global trade will continue to move forward without the active participation of US-based companies abroad. The only way for the US to break away from Chinese global trade dominance is to create new markets other than China for American investors abroad to thrive in.

As the cost of abandoning the TPP is just too great to ignore, it could be argued that the US could resurrect the TPP, after having successfully renegotiated the North American Free Trade Agreement (NAFTA), by inviting former TPP members to join the pact of a "new and improved", and perhaps even a much higher quality, NAFTA 2.0.

This will inevitably open up a can of worms by forcing existing TPP signatories to concede so much more than they already have under the present Agreement. Unless countries ratify the TPP before that happens, as Japan did, the risk of being cornered for greater concessions is much, much higher. ●

WHAT PRIME MINISTER TO CHINA REALLY MEANS

From the late Tun Abdul Razak's strategic decision to extend diplomatic recognition and Malaysia's hand in friendship towards China in the 1970s, to the elevation of bilateral relations to a Comprehensive Strategic Partnership in 2013, the relationship between Malaysia and China has gone from strength to strength

With Beijing's revival of the traditional silk routes through its "One Belt, One Road" (OBOR) initiative, the two countries expect to see even greater cooperation.

Prime Minister Dato' Sri Najib Razak's official visit to China in November 2016, during which Dato' Sri Najib managed to secure investments in Malaysia worth RM144 billion, with 14 trade agreements signed, covering the economy, defence, agriculture, education, finance and construction, may be seen as a testament to the strength of the relationship.



BY
HARRIS ZAINUL

However, due to the landmark amount of investment secured, some have raised questions about their benefits to Malaysia and whether there are risks attached to appearing to rely so heavily on a rising world power.

ISIS Focus reached out to Dato' Abdul Majid Khan, President of the Malaysia-China Friendship Association and Malaysia's former ambassador to China, and asked him: what does this new level of friendship with China really mean for Malaysia?

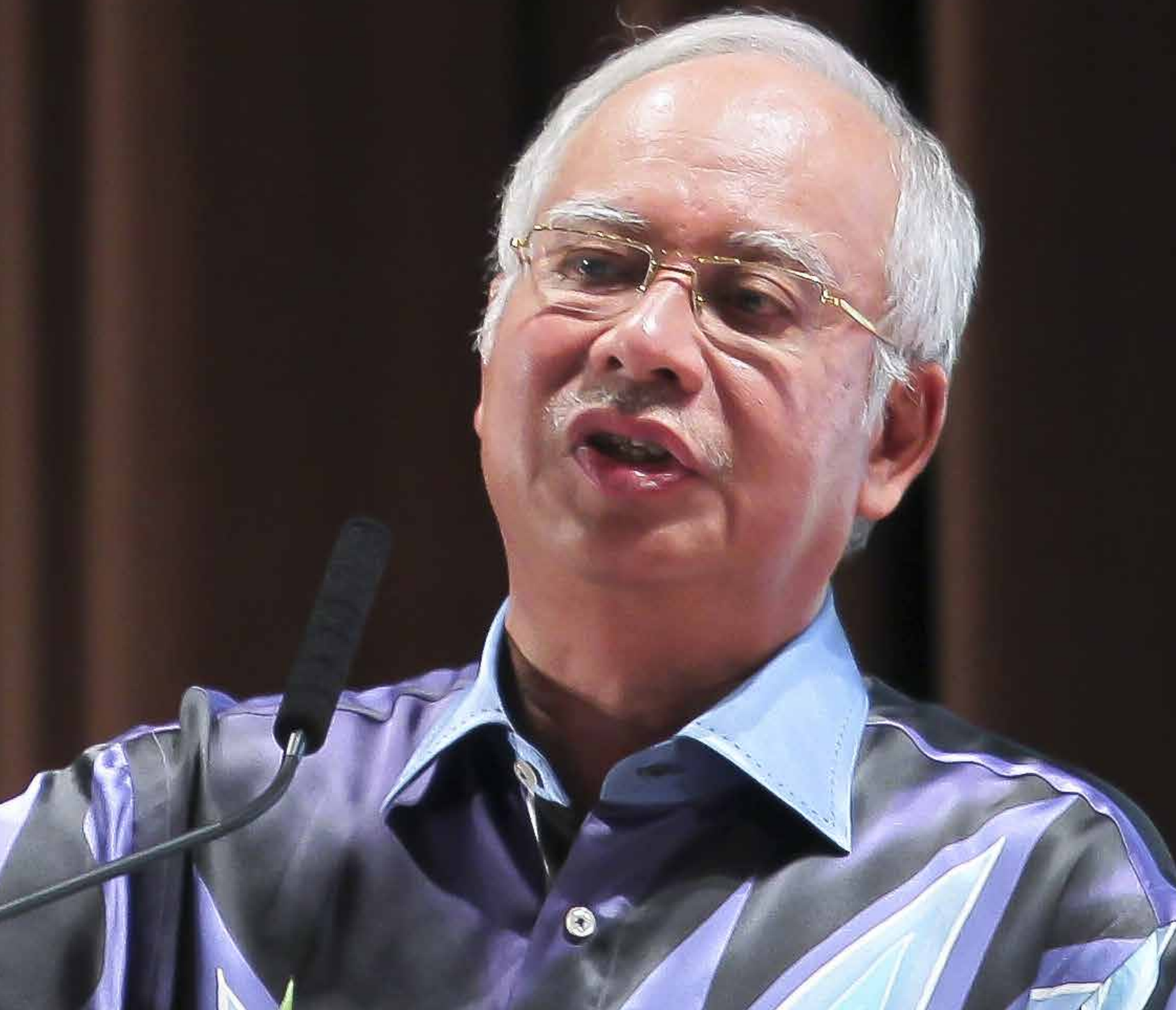
ISIS Focus Does the sheer amount of investment from China following Prime Minister Najib's trip in November constitute a "pivot" towards China?

Dato' Abdul Majid Khan The inflow of investment from China has to be viewed in perspective. If you were to look back, it has always been Malaysia's policy to attract foreign investment into the country. This started in the 1970s with investment from the United States, followed by the four Asian tigers (Hong Kong, Singapore, Taiwan and Japan) and later the European Union. This policy and the establishment of agencies, like the Malaysian Investment Development Authority, to facilitate such investment, are the reasons behind our industrialisation success.

Our relationship with China is a continuation of this. Why this is occurring now and not before is because China only emerged as a capital exporting country five to seven years ago. With the appropriate mechanisms in place, Chinese investments abroad, or as I'd like to call it, the "China flavour", is welcomed around the world.



PR NAJIB RAZAK'S TRIP ANS FOR MALAYSIA



This also holds true in this region, with Chinese investment seen early on in ASEAN countries, such as Laos and Cambodia. However, Malaysia was not initially on Chinese investors' radar. What I think really kicked off this record investment was Country Garden's project in Johor, which created the confidence that Malaysia can be a profitable centre for Chinese investment.

This, coupled with President Xi's "Going Abroad" push, the OBOR initiative and the need for the Chinese to export their excess capacity of cement and steel, attributed to the increased investment from China.

So I would put the increased investment in this context, rather than it being a strategic shift by Malaysia.

ISIS Focus Are there any strategic, political, economic and social implications attached to these developments?

Dato' Abdul Majid Khan Yes, but you have to look overall.

To me, the positive factors come first, such as the enhanced quality of our bilateral relations with China, which has led to increased investment and trade.

Also, this enhanced relationship adds meat to the Malaysia-China Comprehensive Strategic Partnership, which otherwise has nothing to show for it when reviewed over the years. But now, you can see a substantial amount of Chinese investment which contributes to our country's wealth.

Secondly and hopefully, if the investment from China really comes and we manage it well, I expect to see a spillover effect in that the Chinese are spending in our restaurants, buying our local products and renting our houses. The people in town, the taxi drivers and the village down the road are waiting for this, as they too want to feel the impact of the increased investment from China.

This might not be a hundred percent

possible as, according to one Chinese think tank, some of the input from China will be in the form of technology and machinery – things that do not have a direct cash impact.

In addition, there will be social implications from the consular point of view. For example, we expect to receive a larger number of Chinese nationals travelling to Malaysia. Naturally, this increases the likelihood of an accident happening involving a Chinese national, necessitating a standard operating procedure to handle these cases.

Also, if a Chinese national is arrested and paraded as a criminal – as had happened previously with Indonesian workers in Malaysia – it might cause the Chinese to lose face, which might then impinge on the good relations between Malaysia and China.

The result of us not handling these cases sensitively could be that perhaps the Chinese will not feel welcomed in Malaysia. And to be frank, the Chinese have many other choices about where to invest and spend their money.

Malaysian small and medium sized enterprises, companies, and even tycoons, are concerned about what they stand to gain from these investments due to the Chinese business model, where they control the supply chain. However, Prime Minister Najib has reiterated

"To me, the positive factors come first, such as the enhanced quality of our bilateral relations with China, which has led to increased investment and trade"

to the Chinese investors that this business model is not suited for Malaysia, and that they have to find a local partner to conduct their business with.

That being said, we have to keep in mind that the Chinese are new to this foreign investment game. I think they have realised that they have to be more sensitive to the cultural and social requirements of the countries they invest in.

For instance, the Chinese telecommunications company, Huawei, has set up its Global Training Centre in Cyberjaya to train local Malaysian engineers to reduce the need for Chinese engineers in their operations.

However, there is another issue to the investments. If the Chinese decide to argue that since the loan is coming from them, then as the loaner, they should be the one determining the conditions of the loan. Conversely, if the Malaysian government is offering the contracts to the Chinese companies, then we retain the right to dictate the conditions of the contracts.

So to me this comes down to the conditions of the arrangements.

ISIS Focus *If that is the case, are the conditions clearly spelt out?*

Dato' Abdul Majid Khan In Malaysia, we are in a hurry so we do not actually look into these things. When I raised this with a Chinese think tank, they said to me that it's our issue; we have to tell them what we want. So to answer the question, the respective agencies have to spell it out. We must tell the Chinese what we want – and they are used to that because that is what happens in China. But Malaysia must also manage this inflow of investment in terms of bureaucratic treatment. We must deliver too.

ISIS Focus *Does Malaysia's enhanced relationship with China in any way affect our claims in the South China Sea?*

Dato' Abdul Majid Khan Yes and no. I know a lot of the Opposition have been saying, "Oh, this new relationship with China means that we are selling the South China Sea." But this is not backed up by facts. It is not true.

Firstly, what I think Prime Minister Najib has been doing since day one was to take a different approach on the South China Sea

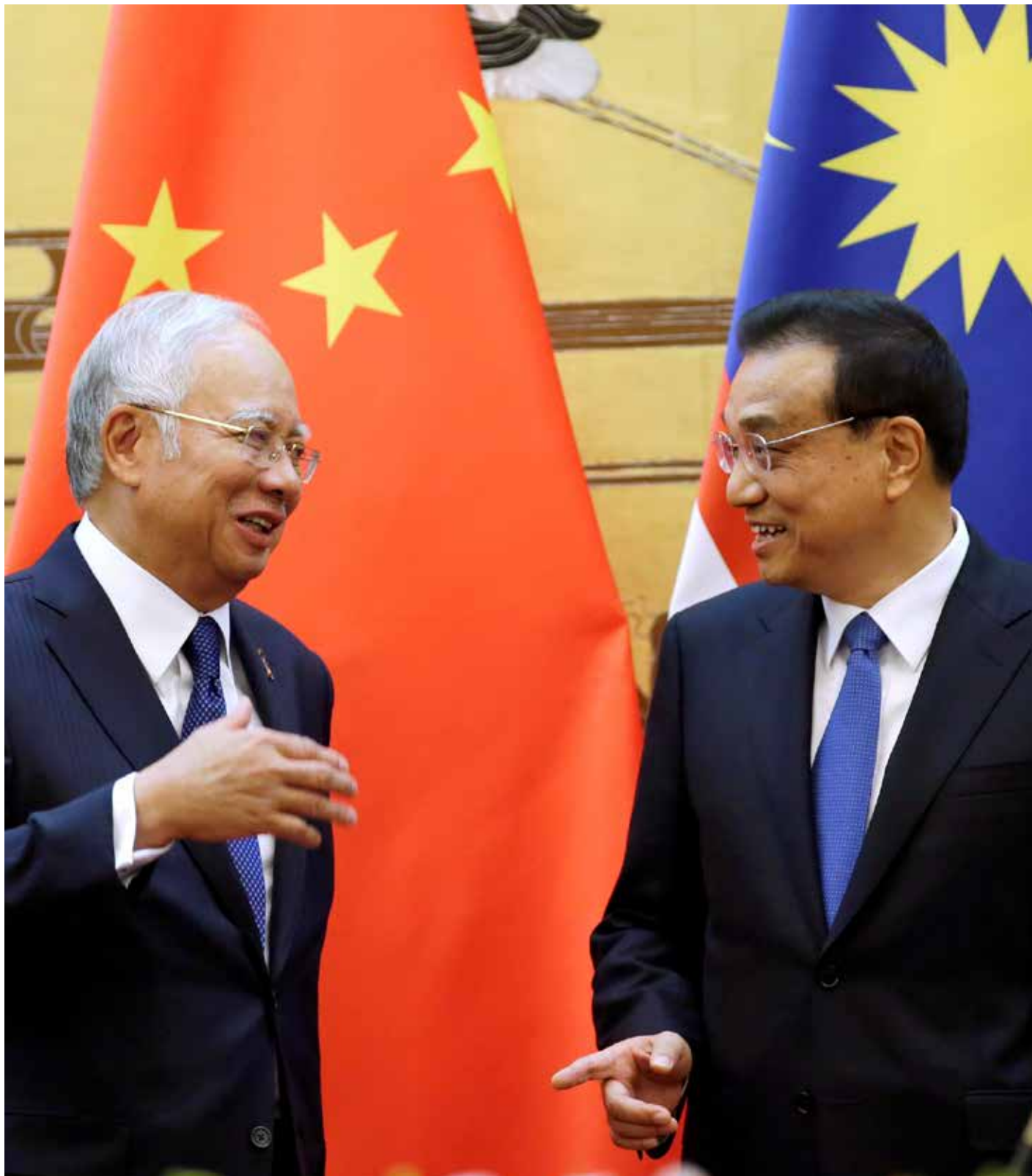
vis-à-vis other countries. For example, in ASEAN, Vietnam and the Philippines have taken a strident role, while we have always opted for diplomatic channels.

Yes, there have been some incidences in the South China Sea, but I think Prime Minister Najib has taken a non-confrontational approach and does not want to shame the Chinese openly for their actions. While not opting to shame China like the Philippines did with their Permanent Court of Arbitration case, it does not mean that we are compromising.

Through our approach, we have not given the Chinese sufficient reasons to be hostile to us, and this opens room for engagement. In the South China Sea we started the Code of Conduct – because realistically, as a smaller country, we are unable to fight the Chinese, so we resort to diplomacy, which has worked well.



“I think this deal with China is quite clever, as there might be a transfer of technology involved, considering that two of the four ships purchased will be built by Boustead in Malaysia”



ISIS Focus *To play devil's advocate, what are your thoughts on the claims that our hands are tied, and we are unable to push back against China due to the increase in trade?*

Dato' Abdul Majid Khan It could be, but I look at it from a very practical point of view. To me, if the Chinese coastguards just pass through and do not occupy our territory, then I think we can be flexible about it.

On the contrary, the Philippines, for example, might have a case as the Chinese removed their fishermen and occupied the island, so the Philippine government had to reply due to domestic pressure. But for Malaysia, they have not done that. But if the Chinese drop a soldier in our territory, then we have to respond.

That, to me, is the bottom line.

ISIS Focus *Dato', how much should we read into the purchase of the Littoral Mission Ships from China?*

Dato' Abdul Majid Khan The LMS purchase has been a policy of our Navy for many years, but we could not get them from countries like France due to their cost.

Initially there was some discomfort with getting the LMS from China due to the perception that they were inferior, but this purchase really comes down to the price offered.

Moreover, I have been told that the Chinese have been pressuring us for quite some time to purchase Chinese-made military assets – as they have been attending the Langkawi International Maritime and Aerospace Exhibition, but we have not procured anything from them.

I think this deal with China is quite clever, as there might be a transfer of technology involved, considering that two of the four ships purchased will be built by Boustead in Malaysia.

Also, I have a theory that Defence Minister Datuk Seri Hishammuddin Hussein acquired the Chinese-made assets in an area where we have disputes with them – perhaps to signal that we are not hostile. This probably will then help soften China's stance when dealing with Malaysia.

ISIS Focus *Does the enhanced relationship with China affect our relations with other superpowers or our role within ASEAN?*

Dato' Abdul Majid Khan Other superpowers basically mean the United States, and I think all ASEAN countries have the same dilemma on how to manage these two superpowers that

are competing for dominance and influence. On this, there is the theory of hedging and balancing. There is another theory that when the issue concerns economic trade, the country will tilt towards China, but if it involves political security, then it will tilt towards the Americans.

But to me, Malaysia and Prime Minister Najib have been very sensitive towards this dilemma. This is probably due to the fact that it is in our, and ASEAN's, psyche to maintain an equidistance. Both the Americans and the Chinese have been our dialogue partners for over 30 years, and we deal with them very respectfully.

While I think we will not jeopardise this relationship, I could see that in this balancing act there could be certain periods when we will be closer to either China or the United States. So perhaps in this period Prime Minister Najib is closer to the Chinese due to what they can offer us now.

In fact, if the economic collaboration between Malaysia and China is successful, and everything goes smoothly, Malaysia could be a model for other ASEAN countries to follow.

ISIS Focus *There is some worry that what happened with Cambodia and its role within ASEAN could be a precedent. Cambodia blocked references to the PCA ruling in the ASEAN Foreign Ministers' Statement, and that was viewed as having been because Cambodia was so close to China.*

Dato' Abdul Majid Khan In a way that is true, but it was also a failure of Cambodia to carry out the role of chairman and issue a communiqué. The inability to come up with one was a big blow.

ISIS Focus *Senior members of the Chinese Communist Party recently awarded President Xi Jinping the title of "Core Leader". What do you think this signifies?*

Dato' Abdul Majid Khan On Chinese domestic developments, there are two things to comment on.

Firstly, the Chinese economy is in transition, hence the need for new drivers of growth. However, this transition has been painful for China as it coincided with the downturn in the global economy. Chinese exports suffered, leading to a situation of excess capacity. Despite that, this transition is necessary as China is no longer like it was before. Today, labour wages have increased and China has priced itself out of competition.

This transition entails a shift from the traditional reliance on foreign investment and exports for economic growth, to one leveraging on knowledge-based workers focusing on services, high technology and the innovative industries.

What this means for us is that it might open up new opportunities. For example, if the Chinese driver for growth is consumption, then there will be a demand for imported products into the Chinese market. This means that the Chinese can enjoy Nescafé, or our durian ice-cream, which provides export opportunities for us.

Politically, this development is good as there is now an emerging strong leadership in the form of President Xi Jinping. To me, I think that former President Hu Jintao did not have this much power, and President Xi's now is almost equal to that of Chairman Mao Zedong.

This development might also be a positive thing for the Chinese top-down leadership system and for good governance, as decisions can be made more easily. This too can benefit Malaysia as we can relate to the leader, and whatever that is agreed upon, whether it is on trade or an appeal, can be implemented without worrying about bureaucratic delay or interference.

We can also see President Xi pursuing very strong reforms in the last three years, especially on combatting corruption, which other leaders might not have been able to achieve.

To me, I think that this has to do with President Xi's China dream: that China can showcase its entrepreneurial strength, and the Chinese can now be proud, relate to and engage with the world.

When the Chinese first opened up, they provided special incentives and practically free land, begging the world to come in for investment, and they have done it so successfully. I feel that President Xi has now realised that China has reached a stage of having good reserves and technical people that they can offer the world, so they are going out.

I think that it is good that we have come to a situation where the Chinese need the world, and the world needs the Chinese. In that context, we should welcome Chinese investment, and in Malaysia in particular. 🌐

TRUMP: *THE KNOWN UNKNOWN*

What can the world – and the Asia Pacific – expect from the new American administration? Little is certain. Does the president even know himself?



BY SHOLTO BYRNES

The last time a US president famously called a military leader a “mad dog”, it was Ronald Reagan on Libya’s Colonel Gaddafi – and the Gipper did not mean it as a compliment. On 1 December 2016, however, then President-elect Trump used those same words when he told a rally in Cincinnati about a key pick for his new cabinet. “We are going to appoint ‘Mad Dog Mattis’ as our secretary of defence,” said Trump.

If his referral to retired Marine General James N Mattis was a departure from normal presidential etiquette, it was just one of many. What the world should expect of President Trump became clear early on: the unexpected.

Predictions as to what Trump’s victory means for Malaysia and the region are further complicated by the divergent views of the cabinet secretaries and trade and security officials he has chosen.

For instance, the new ambassador to China, Governor Terry Branstad of Iowa, has a 30-year friendship with President Xi Jinping, and was described as an “old friend” by a Chinese Foreign Ministry spokesman when Branstad’s appointment was announced.

That amiable outreach was, however, later undermined by a number of statements and actions.

President-elect Trump’s taking a phone call of congratulations from the Taiwanese president was unprecedented – at least since 1979, when Jimmy Carter switched diplomatic recognition from Taiwan to China. Trump caused further consternation in Beijing when he said, on Fox News: “I don’t know why we have to be bound by a ‘One China’ policy unless we make a deal with China having to do with other things, including trade.”

Then, in a move that suggested aggressive action against what China views as a “core interest”, while providing little or no reassurance to other claimants in the South China Sea, Trump’s choice for Secretary of State, Rex Tillerson, said in his Senate hearings: “We’re going to have to send China a clear signal that first, the island-building stops, and second, your access to those islands also is not going to be allowed.”

Robert Lighthizer, named as Trump’s chief trade negotiator, is also a longstanding critic of China. “Years of passivity and drift among US policymakers have allowed the US-China trade deficit to grow to the point where it is widely recognised as a major threat to our economy,” he wrote in 2010 congressional testimony. “Going forward, US policymakers should take

these problems more seriously, and should take a much more aggressive approach in dealing with China.”

Predicting what policies a Trump administration will pursue are further confused by an inability, at this stage, to know just how much weight to give to his words. Perhaps the best analysis was provided by reporter Salena Zito in a September 2016 article in *The Atlantic*. “The press takes him literally, but not seriously,” she wrote. “His supporters take him seriously, but not literally.”

Is he going to do the things he said he would? Yes, according to Ronald Reagan’s speechwriter Peggy Noonan, who wrote in the *Wall Street Journal* that Trump’s inauguration address showed that he absolutely meant what he had said during the campaign. It is true that one of his first actions in the Oval Office was to sign an executive order to withdraw the US from the Trans-Pacific Partnership, as pledged (for what may replace that, see Firdaos Rosli, page 14). Other executive orders during his first week in office confirmed that hardline promises, such as to construct a border wall with Mexico, would indeed be put into action.

But the temporary ban on Muslims



entering America that Trump aired early in his campaign – seriously dismaying the 260 million Muslims in Southeast Asia – was ditched. And although Trump may have promised at his inauguration to “unite the civilised world against radical Islamic terrorism, which we will eradicate completely from the face of the Earth”, a policy with which the Malaysian and Indonesian governments would presumably not demur, two days earlier his nominee for UN Ambassador, Nikki Haley, indicated that another stated policy that targeted Muslims had been abandoned. Speaking at Senate hearings, she said: “His administration and I don’t think there should be any registry based on religion.”

Trump has such a loose ideological grounding that, during the primaries, he was accused by the former Republican congressman Joe Scarborough of being a “big government liberal” who had “hijacked” his party. It should not be surprising, given this lack of discernible fixed principles, that when Trump converses with people whom he respects, he does listen and he is capable of altering his views.

If he was prepared to moderate his views

on the efficacy of waterboarding after General Mattis told him he had never found it to be useful (Trump has since wavered back, but both Mattis and the incoming CIA director, Mike Pompeo, are opposed), it is entirely possible that Japan’s prime minister, Shinzo Abe, managed to persuade the new president that his country is, in fact, paying a fair share towards the maintenance of its security, and that US military commitments in East Asia should be maintained, when the two met in November. We cannot know, as the contents of their discussions have not been revealed. But Abe certainly looked very pleased as he left the meeting.

While President Trump’s views have varied wildly over the years, some, such as his stress on deal-making, and his self-proclaimed excellence at it, have not. Taking into account that, and the hawkish nature of the majority of his appointees, a few predictions can be guardedly ventured.

A Trump White House is committed to putting “America first”, but explicitly shies away from expressing a grand global vision. As the new president stated in his inaugural address: “We will seek friendship and goodwill

with the nations of the world – but we do so with the understanding that it is the right of all nations to put their own interests first. We do not seek to impose our way of life on anyone.”

His interactions with other countries are therefore likely to be highly transactional and pragmatic. If Western concerns about human rights issues, from the slow return to democracy in Thailand to the imprisonment of Datuk Seri Anwar Ibrahim in Malaysia, were relatively muted under President Obama, the Trump administration can be expected to be entirely silent on the internal affairs of other countries when they have no effect on America or its interests.

Individually, the nations of Southeast Asia are unlikely to be a priority for President Trump, whose foreign policy for the first six months or longer could easily be taken over by the plans to eradicate Daesh he tasked General Mattis to come up with by the end of February.

Security and the fight against extremism, about which the government of Dato’ Sri Najib Razak has long been very vocal, do, however, present an opportunity for Malaysia to engage with the new administration. President Trump

wants to wipe out terrorism that presents itself as Islamic. While obviously not actively well-disposed towards Islam, it seems unlikely that he is, at any deep level, against it.

He is notably unconcerned with the culture issues that obsess so many Republicans, stating during the campaign that transgender people should use whatever bathroom they felt was appropriate. Further, this is a man who has an Orthodox Jewish son-in-law (his Senior Adviser, Jared Kushner), but is also famous for having said: “The only kind of people I want counting my money are little short guys that wear yarmulkes every day.”

Given such inconsistency and relative indifference to many ideological markers, not too much should be read into his supposedly anti-Islam stance. That may not be the case with his virulently Islamophobic National Security Adviser, Lt General Mike Flynn. But President Trump may welcome the optics of a moderate Muslim-majority country publicly allying with him in the fight against terrorism, demonstrating that he is not against the Muslim world per se, just extremists who may emanate from it or who claim to represent it.

Moreover personal relationships are clearly important to the new president. It may therefore be to Malaysia's advantage that Dato' Sri Najib has played golf with President Trump, and even has a framed picture of them both taken after the game, inscribed with the words “to my favourite prime minister”. Even if it turns out that Dato' Sri Najib is not the sole recipient of such an endearment, no country can expect to register with the new president according to the traditional criteria; the prior contact could well turn out to be useful.

Just days after becoming president, Donald Trump showed that he is prepared to tear up the rule book, preparing another executive order drastically reducing US support to the UN and other international bodies.

Nowhere is the concern greater than in the Asia Pacific, where Trump's tough talk on China has ranged from proposing tariffs of up to 45 percent on Chinese imports (defended by the head of the new National Trade Council, Peter Navarro, as “an appropriate level”), to his officials commenting on access to South China Sea islands in such a bellicose manner that many believe they did not realise the consequences of what they were saying.

A trade war would damage the US as well as China, while military conflict could lead to unthinkable escalation; both would pose huge risks to Malaysia and the region.



But while President Trump appears to bear a genuine grievance against China – for stealing American jobs and unfairly manipulating its currency, as he sees it – there may be benefits to his taking a stance far stronger than the Obama administration's. Indeed, one of its strengths is that Trump is so unpredictable that it cannot be safely assumed he might not mean any threats he issues. With the Obama White House, by contrast, it could be assumed that there were no real red lines; the cerebral man in the Oval Office appeared to have no stomach for a fight.

Joel Wit, a senior fellow at the US-Korea Institute, is not alone in thinking that a resolute President Trump could resolve the North Korea nuclear issue, by reaching out first to Kim Jong-Un (Trump has already said he'd be willing to have a hamburger with him), with serious coercive and military pressure to follow if talks then failed.

Starting from an aggressive negotiating position on “One China”, the South China Sea and trade would – in this best case scenario – leave President Trump with plenty of bargaining chips to persuade China to use its leverage on North Korea. Some form of peaceful reunification, or at least abandonment of the DPRK'S nuclear programme, would be a great triumph. The same chips could be used to forge a new, more US-friendly trading relationship with China.

At the moment, however, it is not clear whether Trump's team are coordinating with one another on a number of issues, or if either

the president or his press spokesman even understand the complexity of the issues on which they are pronouncing.

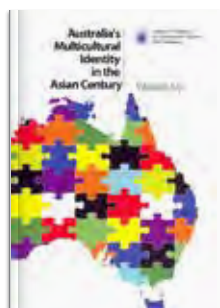
Still more, Trump's motives are frequently opaque.

Did then President-elect Trump take the call from Taiwanese President Tsai Ing-wen, for instance, because he thought it would be rude not to, as he said; because he genuinely felt it right to challenge the “One China” policy; or because he had been lobbied to do so for months by the former Republican senator and presidential candidate, Bob Dole, who was acting as a foreign agent of Taiwan's government?

Much of what Trump's presidency holds for Malaysia and the wider region is, to use a Rumsfeldism, a “known unknown”. It may well be that the new occupant of the White House doesn't know himself what he is going to do. In the meantime, we have his Twitter feed and a steady stream of eyebrow-raising announcements from the Oval Office and White House press room. They, however, do not yet indicate if the new administration will succeed in creating a new architecture of world trade and power based on national interest and America First – or whether President Trump will bring all the structures the US led in building after the Second World War tumbling down, with America's reputation as a friend of democracy and an ally to be relied on biting the dirt with them. ●

Sholto Byrnes is a Senior Fellow in Foreign Policy and Security Studies, ISIS Malaysia

/ *Selected Publications* /



Australia's Multicultural Identity in the Asian Century

Waleed Aly Kuala Lumpur: ISIS Malaysia, 2014.
<http://bit.ly/27oEpHj>



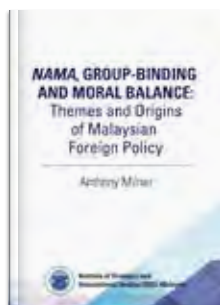
Surveying the Southeast Asian Political Terrain: Myanmar and Beyond

Nicholas Farrelly The APR Series E-Monograph. Kuala Lumpur: ISIS Malaysia, 2016.
<http://bit.ly/1sqPy7r>



The Future of Think Tanks in Malaysia: Innovate – or Die

ISIS Focus 2/2016, No. 1. Kuala Lumpur: ISIS Malaysia, 2016.
<http://bit.ly/1XjlyHF>



Nama, Group-Binding and Moral Balance: Themes & Origins of Malaysian Foreign Policy

Anthony Milner Kuala Lumpur: ISIS Malaysia, 2014.
<http://bit.ly/23Gt7q5>



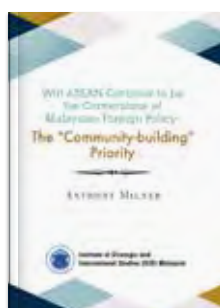
China's Plan for Prosperity and Stability in Asia and Beyond

Zha Peixin The APR Series E-Monograph. Kuala Lumpur: ISIS Malaysia, 2016.
<http://bit.ly/2jyaYPM>



Peace & Security Dialogue – More Urgent Than Ever

ISIS Focus 2/2016, No. 2 (Special Report). Kuala Lumpur: ISIS Malaysia, 2016.
<http://bit.ly/22z3Dfc>



Will ASEAN Continue to be the Cornerstone of Malaysian Foreign Policy: The "Community-building" Priority

Anthony Milner Kuala Lumpur: ISIS Malaysia, 2016.
<http://bit.ly/2ddUe9B>



ISIS Malaysia Annual Report 2015

Kuala Lumpur: ISIS Malaysia, 2016.
<http://bit.ly/2dQFsKA2>



China on the Defensive?

ISIS Focus 3/2016, No. 3. Kuala Lumpur: ISIS Malaysia, 2016.
<http://bit.ly/2kTtySH>

