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INTERNATIONAL AND STRATEGIC STUDIES FACULTY OF ARTS
AND SOCIAL SCIENCES**

Your Excellencies

Distinguished Guests

Ladies and Gentlemen

I would like to thank the Department of International and Strategic Studies, University of Malaya for inviting me to share my views on Malaysia in World Politics: The Challenges Ahead.

My lecture this morning will focus on foreign policy formulation, implementation and the management of international relations from the perspective of a practitioner, bearing in mind the state of the world, what it means for Malaysia, what we are doing about it, and why.

In a nutshell, Malaysia's foreign policy is simply the composite of internal and external factors, which interact with Malaysia's national and strategic interests. There are determinants within them that can be transparent and at the same time fluid and uncertain. We can say these are the dynamics of foreign policy.

Viewing the policy from its macro perspectives, it can be said to be guided by the need to protect our territorial integrity, the indivisibility of state sovereignty, the pursuance of our economic and security interests, and the defence of our values and institutions. Each one of these factors requires a deep sense of understanding in order to appreciate its implications and ramifications.

Foreign policy is a reflection of our domestic policies. It is for this reason that we have to focus on political, economic, social, scientific, cultural and technological developments and opportunities as they may arise at the international level. This means our foreign policy trajectory would require us to safeguard and protect the overall interests of Malaysia. We have to promote and defend Malaysia in the world stage so that our position is understood and our interest respected. It is in this context are the challenges we have to face and that confronts us from time to time at the at the bilateral and multilateral levels.

The first challenge to Malaysia is the politics of globalisation and liberal democracy.

As we are aware, globalisation has its positive and negative effects. How do we, then, handle this process and be part of it without sacrificing our freedom and independence? How can smaller developing countries like Malaysia not be overwhelmed by developed countries and the non-state trans-national actors?

The second concerns the uncertainty that still exist in the international capital and financial markets. The role of foreign exchange or currency trading, which is not supported by goods and services, coupled with the activities of the hedge funds and highly leveraged financial institutions, has precipitated the financial crisis that has brought adverse economic and financial consequences to many countries in East Asia, including Malaysia.

The third challenge confronting us is the changes resulting from technological advancement. The advent of Information and Communication Technology (ICT) will be a determining factor in our ability to succeed and remain competitive. Yet today, we are witnessing the marginalization of developing countries due to the digital divide. It is obvious that the gap between the rich and poor countries is growing wider. The question is how do we bridge the gap? As you know, Malaysia has made ICT a core element to spearhead its development and economic policies which are knowledge based.

Lastly, there is also the challenge of the changing global landscape with the end of the cold war. Countries that are divided on the basis of ideology are no longer in existence. Today, all countries are facing greater pressures to adhere to liberal democracy, civil society and human rights. The rights of individuals are given priority compared to that of the state and society. Standards, values and morality in and within state and society are defining new paradigms in international relations.

What I have just mentioned created new issues, problems and uncertainties. We have to manage the new phenomena if we want to maintain our freedom and independence. In order to avoid domination, we cannot act alone. We have to establish new alliances that take into account our political as well as economic interests. We may need game plans as we face the changes at the regional and international levels.

We are, indeed, living in a complicated and complex world. Concepts and principles have to be re-interpreted. The previously accepted view regarding state sovereignty and nation-states have now been challenged. It is said that interference in the domestic affairs of other nations can be justified on the basis of humanitarian necessity, as demonstrated in the case of Kosovo, and the no fly zone in northern Iraq. New transnational actors operating outside their national boundaries have brought about the emergence of nationalism and patriotism.

Our national policies must therefore take cognisance and recognise what is happening in the world. The threats and uncertainties are rapidly changing. New realities have evolved. While we pursue our national policies with dedication and commitment, we also need the goodwill and cooperation of other countries from

within and outside the region. In managing our external relations, all these factors must be put in context and take a posture which is consistent with our national interests.

The conduct of diplomacy has its own complexities and peculiarities. In practice, countries do act by making trade-offs in order to serve their national interest. It may or may not be just. As so long as it fulfils the objectives to be achieved, it is considered justified. What is pertinent for Malaysia is our ability to make our positions known on issues and problems concerning international affairs. We have done so at the United Nations, the Security Council, ASEAN, ASEM, the OIC and in the World Trade Organisation negotiations. On current political affairs such as the tragedy in Balkans, Yugoslavia, Palestine and Chechnya, Malaysia holds its own views that are independent and base on our own perceptions of right and wrong. Our actions have gained the respect of the international community as well as bringing displeasure to others. It is imperative that we uphold our sovereignty and continue our struggle for international justice.

From the dawn of man's known history, politics has been about man, his domain, and his conflicts and cooperation with other states for power and for wealth. The quest by states for mutual political and economic advantages is ongoing. From man's earliest history, cross-cultural political, social and economic interaction across borders has happened, is happening and will continue to happen in the future. Countries have risen and fallen, their influences growing or waning as events unfolded around them. Some even ceased to exist, to be replaced by new states. Such is the history of world politics.

The world today is no different from that of ancient times. Countries always strive for the best advantage for themselves vis-à-vis other states. The means to acquire the advantages remain the same, be it by projection of military force, diplomatic persuasion or strategic alliances. The only difference is that the weapons of today, for example, the missile over the spear, the Internet over the smoke signal, are faster and better.

We are now in the third millennium, the twenty-first century. Various pundits, talking heads and scholars have made several interesting predictions about the future state of the world in this century. Some predicted that this century would be the Asian century. They based their contention on the tremendous economic growth of the East Asian region that would afford the Asian countries the economic clout to dominate the global stage. What the proponents of this premise did not contend with is that, growth is not necessarily always on the increasing curve.

Some others predicted that the nation-state would become increasingly irrelevant and powerless given the rise of global corporations straddling national boundaries. As purely business enterprises, their loyalties are not to countries, even to their country of origin, but to their bottom-line, owners and shareholders. Corporations do this not only for the synergy, but more important, for a greater share of the world market. More often than not, these corporations have fostered a corporate culture and loyalty

among their multinational staff that would be the envy of any nation's effort to imbue their citizens with nationalism and patriotism.

No government can really control these business behemoths with global reach. Their ability and propensity to transfer their operations to countries that offer them the most incentives and perks has made them the gypsies of the global economic system. The ability of these corporations with global interests to lobby, prevail upon and even pressure their own governments to modify policies, both national and international, that they deem to be contrary to their financial interests, is already known. In fact, some of their actions scuttle the world's agreed intention to improve the overall global situation for the benefit of all people.

Nation-states are also predicted to eventually lose their authority over their land and people. This assumption is based on the fact that there now exist hundreds of global standards in the form of conventions, covenants, treaties and agreements on every issue of concern to man. These international standards cover everything from transportation, environment, communication, trade, intellectual property, labour, arms, and human rights. Many were initiated under the auspices of the United Nations and its sister agencies. Many more are being proposed, drafted, negotiated and formulated by the international community for global acceptance, accession and compliance, including agreements on information technology and crime.

While the proponents of the demise of the nation-state highlighted the precedence of international laws and norms over national ones, they did not adequately address the primacy and power of states to negotiate and accede to these international standard setting instruments out of their own volition. They did not acknowledge that, as a State Party to a convention or agreement, each state has the free will to enforce the agreements at the national level or even to choose to no longer be a State party to a particular international agreement.

No one can adequately predict the future if the future is looked only from the angle of politics without factoring in the economic aspect. Or, for that matter, merely highlighting the states as determinants of the state of the nation and the world without admitting the increasing activism of non-state actors such as corporations and non-governmental organisations in shaping the opinions of the public and the decisions of the state.

Ladies and Gentlemen,

Against such a backdrop how then can Malaysia benefit from a world that is neither predictable nor static? Events and situations, both internal and external affect the formulation and implementation of its national policies. Some events and situations that have a direct impact upon Malaysia can be managed and contained. Others, on the other hand, require the cooperation of and compromises with other countries for effective management of the consequences of a given situation upon Malaysia.

Malaysia's concerns and interests are given expression through the diplomatic process, the vehicle for its conduct of relations with other states and intergovernmental institutions. Diplomacy is still the most important channel for Malaysia in the promotion and preservation of peace, security and progress. Some have noted that Malaysian diplomacy, in the pursuance of its objectives is profiled, and on occasion, seen to be aggressive and sometimes crusading in nature. This is so because our action takes into consideration our country's national interest, and in many instances the interest of the developing countries.

Ladies and Gentlemen,

This policy is executed at the bilateral and multilateral level, either separately or simultaneously involving both developed or developing countries. Bilateral relations can also complement those fostered at the multilateral level.

In practise, Malaysia enjoys close diplomatic relations with all countries except Israel and Yugoslavia. Mutually beneficial cooperation is being strengthened through various mechanisms including Joint Commission Meetings whilst efforts are made to resolve whatever problems arise.

As a traditionally open economy and society, Malaysia's national development is closely interwoven by way of trade, investment and education with other countries. Rapid developments in communication technology and transportation as well as their increasing affordability and availability for Malaysians has hastened the impact of globalisation on Malaysia. There are now 188 members of the United Nations, all at different stages of development and with different degree of influence and clout, measured variously by economic might, military capability, or by the sheer size of population. As a medium-sized and middle income developing country with a relatively small population, and out of necessity and pragmatism, Malaysia, will continually build up its bilateral linkages and supports the role of multilateral institutions in advancing international cooperation in the interest of international peace and prosperity.

The complexity of issues and problems that exist in the world today is beyond the mandate and ability of any one country to address or act upon unilaterally. Even crimes, diseases, social discords, political conflicts and economic crisis have international dimensions. Constant discussions, dialogue and negotiations are therefore crucial in addressing or overcoming them collectively at the global level.

Like many other developing countries, we are also concerned about creating a just and equitable world order conducive for sustainable development. Malaysia believes that no country or community should be marginalized from the benefits of globalisation, sustainable development and the fostering of an enabling environment which is conducive for growth. There is a need for concrete cooperation at the international level for the purpose of alleviating poverty, overcoming illiteracy, as well as fighting against killing and debilitating diseases. Hundreds of millions of people from developing countries are denied because of this, from realising a life with dignity.

Ladies and Gentlemen,

Geographically Malaysia has been no stranger to external influences upon its social, political and economic configuration. Malaysian trade and culture has always been enriched by interactions with other peoples. From the time of the Langkasuka period in the north of Peninsula Malaysia and subsequently during the period of the Malacca Sultanate, we have developed trade and maintain relationship with other countries, not only for economic purposes but had also contributed to the attainment of peace and security in the region.

After we attained independence in 1957, we were very much inundated with the task of nation building. In the early post-independence years from 1957 to 1962, we were faced with Communist insurgencies which forced us to focus inwards. We were dependent for internal and external security on Britain. Our worldview was very much driven by the relationship with Britain. Indeed, Malaysia then was finding its identity and security, and the world at large took a back seat. We were also concentrating on building relations with our neighbours.

The sixties saw a significant development of Malaysia's foreign policy. It saw the country engaging in developing the genesis and the realisation, through ASEAN, of the concept of the Zone of Peace, Freedom and Neutrality, or ZOPFAN, for South East Asia. We saw Malaysia pursued actively in overcoming its differences and disputes with its neighbours. This was done as part of ASEAN's regional cooperative endeavour to promote peace and stability for the benefit of all member countries.

By the seventies, Malaysia as a nation became conscious that as a multiethnic and multi-cultural nation, if we want to have national integration, sustainable development and peace, all sectors of society must benefit from it. The underlying national realisation of the need for tolerance, accommodation and compromise also coloured the flavour and texture of Malaysia's foreign policy formulation and implementation. Malaysia began to foster relations with all countries regardless of their political and economic systems. The principle of neutrality and non-alignment brought Malaysia to membership in G 77 and the Non-Align Movement. This was also the time which saw the formalisation of diplomatic relations with China and the Indochinese states.

As we move to the eighties and nineties, Malaysia became more comfortable with itself as a nation, having succeeded in its domestic policy approaches and nation-building. We started looking beyond our traditional bilateral trading partners to reduce over-dependence and reliance purely on our traditional markets. We began to explore new possibilities to weave a new web of networking alliances and cooperation. We began to diversity and expand our relations as manifested in the Look East Policy. Through this policy, Malaysia develops linkages with the East Asian economies and learn from their development. Malaysia also gives more importance for South-South Cooperation among developing countries to achieve self-reliance.

While those policies are being pursued, relations with traditional partners have not been neglected. It continues to grow from strength to strength bilaterally or through new intergovernmental multilateral endeavours like ASEAN Europe Meeting (ASEM) and the Asia-Pacific Economic Cooperation (APEC). Malaysia's functional cooperation was also expanded considerably with the institutionalisation of mechanisms like the ASEAN-EU, the Thirteenth Ministerial Meeting which was held in Vientiane, Laos, this week.

I believe Malaysia will continue to be outward-looking and forward going. It has been receptive and adoptive of elements that are not indigenous but beneficial for its development as a society. However, we cannot accept the imposition of political, economic, social and cultural, norms and values from others through force or coercion.

It has been said to the point of becoming a cliché that the end of the Cold War ended the East-West cleavage and that the world will be a better place for it. However, the Cold War era obscured the disquieting reality of the North-South gap between the world's rich and poor regions. The so-called East-West cleavage may be over, but the gap between the rich and poor regions is ever widening. Courted in many instances during the Cold War era by the key players of the great game of economic and political ideology, many developing countries since then have found that their suitors have lost their ardour for assisting them in their development. As such, development assistance has never been lower now and, if given at all, is accompanied with more and more conditions attached.

This situation has hastened the need for the further democratisation of multilateral institutions involved in development and developmental assistance. There must be an equitable world order where the concerns of all are taken into consideration. Development assistance and financial aid, environmental degradation, human rights and social development are issues of grave concern to the world community. There is a propensity by some to adopt unilateral measures that run counter to international laws and norms. Imposition of conditionalities in loans and the linking of social clauses in labour issues are still happening. Adequate resources are still unavailable for development.

Ladies and Gentlemen,

Numerous challenges therefore lie ahead for Malaysia in world politics. Such challenges are becoming increasingly complex. New ways and new approaches have to be devised if we are ever to overcome them.

Anarchy, chaos, rebellions, revolutions, insurrections or just plain civil disobedience will still happen in countries if people are deprived, exploited, abused or misgoverned. In some cases, the same situation is made to happen in the name of reform, liberal democracy and civil society. Territorial integrity and sovereignty of

states will continue to be abused, threatened and undermined by illegal migration, crime syndicates, secessionists and expansionists. There is also a tendency to illegally bring changes in countries through non-governmental organisations and civil society movements, resulting in chaos and anarchy.

Definitely the balance of power in the future will change again. Where there were once several great powers, there became just two superpowers and now there is just one, a unipower. The potential of middle powers and regional powers making an impact upon the state of the world in this century is there. Middle and regional powers, by forming concrete strategic economic and military alliances, will have the clout to be major players in world politics.

The rapid pace of communication and the banality of pop culture as churned out by Hollywood, Bollywood and Hong Kong, have found global acceptance and give everything a similar look and feel. Cultures, economies and politics seem at once quaint and similar. We are already witnessing the integration of ideas, not just economies. Where once, only like-minded countries got together effectively in voicing common concerns and worked together successfully for similar objectives, we now have like-minded individuals reaching across borders, regardless of race, religion and country, to work together, just as effectively in some instances, for common concerns that may sometimes be at odds with the positions and policies of their governments.

No doubt, conflicts will also continue in the future in all its ugly facets and forms. Territorial disputes will continue to distract nations from the real task of development. Economic conflicts will continue in the quest for market access and market share. The illicit trafficking of drugs, arms and people have become very profitable for its perpetrators, but very poisonous for a society social's fabric, and a drain on the resources of the state in countering them.

We are going to witness more terrorism and secessionism as long as the differences in views and non-respect for the cultures, traditions and values of others still exist. Ethnic, religious, and ideological conflicts will continue unabated if any ethnic community, religious group or political party are deprived from preserving their heritage, practising their religion and freely espousing their convictions. Conflicts will continue unabated if no sincere efforts at mediation, accommodation and resolution are made.

There are other concerns of equal importance for the world to address in this century. These include:

- the human rights of all, particularly women and children;
- the question of refugees and internally displaced persons;
- the flow of migrants, both legal and illegal;
- the question of piracy, illegal and drug trafficking and illicit transfer of small arms;
- unresolved economic questions in trade, services and finance;
- the question of debt relief and debt forgiveness;

- foreign direct investment and overseas development assistance;
- need for global standardisation and regulations of and access to telecommunications and information, and the so-called digital divide;
- the still precarious state of our environment and the importance of sustainable development; and
- the search for alternatives in place of the depleting energy and materials necessary to human development continually possible in the light of increasing population.

Malaysia believes that the international community must take some effective measures on the state of the world and the human condition. We need to highlight on the main challenges covering equitable growth and development; regionalism; globalisation and the world order.

Nonetheless, I know ensuring equitable distribution of wealth and access to opportunities for all is no easy task. Today, we still have over a billion people living with no adequate access to clean water, education, health services and gainful employment. It is also over a billion who are still living below the poverty level. To overcome these challenges, we require funds which are still inadequate at best and in many instances not forthcoming at all. On its part, Malaysia has identified the areas for functional cooperation with developed and developing countries at the bilateral and multilateral levels in addressing these issues.

We consider strengthening our relations with other developing countries in the context of South-South cooperation, particularly in the economic sphere, as important. These endeavours are primarily to reduce over dependence on the developed countries and to emphasise complementarities of the capacities and resources of countries to enhance self-reliance and resilience. The exchange of knowledge and resources between developing countries has already shown tangible results.

In our "prosper thy neighbour" policy, it is intended to promote concrete economic cooperation with our neighbours. In this regard, the Malaysian private sector has increasingly become significant investors in other countries and works in tandem to realise Malaysia's mutual growth and mutual gain approach. Investments among countries in the region are encouraged. Benefits derived from investment, through opportunities, market access, gainful employment and increasing income are conducive for regional growth and prosperity.

This approach is also taken farther afield to Latin America, to Africa, to the Central Asian Republic, to the Pacific region and to the Balkans. Malaysia will continue to adopt this approach and seek further strategic alliances, joint ventures, and smart partnerships with other countries at both the governmental and private sector levels.

The interdependent world calls for cooperation among states, firstly within the region

for practical reasons, and for wider cooperation with countries outside the region. Through regional endeavours such as ASEAN and APEC, Malaysia will continue to ensure that the dismantling of national barriers to trade and investment will not be to the long-term detriment of its interest or that of other developing countries.

Regionalism is also the natural and logical building block for globalisation and liberalisation as defined in current economic parlance. Through our membership in ASEAN, APEC, the newly established East Asia Latin American Forum (EALAF) and ASEM, Malaysia will continue to call for a supportive international economic environment, appropriate international policies and human resource development as prerequisites for sustainable and equitable development.

To better manage the impact of globalisation upon national and regional efforts for sustainable development, there need to be new global standards and rules to be agreed upon by consensus and abided by all. We will contribute actively towards their formulation for universal adoption as a common reference point. We will also continue to fight against unfair trade practices, protectionism and economic sanctions that are contrary to the terms and standards agreed upon and accepted by consensus.

Malaysia has also been particularly active in international efforts to contain the proliferation of weapons of mass destruction in the interest of international peace and security. It will also continue to engage in international deliberations to stem the massive flows of illegal migrants and refugees across borders. Malaysia will also continue to condemn through the United Nations system, genocide and war crimes and seek to bring perpetrators of crimes against humanity to justice. Malaysia will cooperate with other like-minded countries to contain transnational organised crime by sharing information and technical cooperation. This is to prevent all those crimes from undermining the stability of states and from scuttling development efforts. While the measures Malaysia are taking seems small, with unrelenting commitment and persistent persuasion, together with other like-minded countries, we are confident that these problems can be overcome.

While there are rules for other forms of economic interaction in the world to ensure fairness and stability, there are still none related to the flow of short-term speculative capital, something that is almost illogical considering that the impact can be as equally destructive upon a state as factories being bombed. The need for market infrastructure rules on capital flows is of particular interest to Malaysia. We need to reduce financial volatility in the global marketplace that will cause no further losses to economies that do not have capital or technology. We are therefore propagating for the establishment of a new financial architecture.

The end of the Cold War and the superpower rivalry has allowed the United Nations and its Security Council to play the role that it was mandated to do according to the United Nations Charter - that is, to take collective measures for the prevention and removal of threats to peace, and encourage respect for human rights. In dealing with the problems of proliferation of weapons of mass destruction, financial volatility, massive flows of refugees, trade disputes, or genocide, only some form of global

governance will be able to muster the unity and strength to address them. The United Nations, representing almost every country in the world, has the capacity to formulate and enforce a world order, if its member states will allow it.

Regardless of the seeming ineffectiveness of the United Nations to grapple with challenges to peace and development, Malaysia likes to see the establishment of a new international world order. The formulation and evolution of world order, international norms and standards through the United Nations system has to be just and fair and reflective of the needs and concerns of all countries. Global standards in the form of international conventions, treaties and agreements are the umbrella of security in assuring nation-states a common point of reference.

Ladies and Gentlemen,

It is often said that the future is what we make of it. The future for Malaysia is secured if it continues to be informed of developments beyond its shores and respond judiciously to them. While Malaysia is ever vigilant of events and situations that go even beyond its national interest and well-being, Malaysia is also very much aware of its place as a member of the international community. It is therefore incumbent upon us to appreciate the principle of shared responsibility and to work closely with other countries in all areas of common concern so as to make this world a better place for all our peoples.

Thank you.

SYED HAMID ALBAR

18 December 2000