PUTRAJAYA FORUM
2014 REPORT
14 - 15 April 2014, Kuala Lumpur

Strengthening Security and Regional Stability

PUTRAJAYA FORUM 2014
Defence and Security Forum for Peace

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14-15 April 2014, Seri Pacific Hotel

Kuala Lumpur, Malaysia

Theme:

Strengthening Security and Regional Stability

Malaysian Institute of Defence and Security

PUTRAJAYA FORUM 2014 REPORT

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The Malaysian Institute of Defence and Security (MiDAS) was established in April 2010 under the purview of the Ministry of Defence, Malaysia. It is poised to become a centre of excellence for the Ministry of Defence and Government of Malaysia in the defence and security field through comprehensive research and sharing of knowledge. In generating new ideas it shall include various activities such as forums, debates, seminars and publishing of journal on defence and security. MiDAS is premised at the Ministry of Defence in Kuala Lumpur, Malaysia.

Contents

This report summarizes the proceeding of the conference as interpreted by the assigned rapporteurs and editor appointed by the Malaysian Institute of Defence and Security (MiDAS).

This conference adheres to a variation of the Chatham House Rule. Accordingly, beyond the paper presenters cited, no other attributions have been included in this conference report.

PUTRAJAYA
FORUM 2014
Defence and Security Forum for Peace

Foreword

Putrajaya Forum 2014 is an international forum on defence and security held biennially. The third forum in 2014 was held at the Seri Pacific Hotel, Kuala Lumpur from 14 to 15 April 2014 and was organised by the Malaysian Institute of Defence and Security (MiDAS) with the theme, "Strengthening Security and Regional Stability".

The forum was held concurrently with the Defence Services Asia-14 Exhibition and Conference (14th DSA 2014) to attract as much participation from industry professionals and key players who are involved with defence and security. The opportunity was taken to garner knowledge sharing among ASEAN member states and those outside the region that have a role and interest to ensure the stability and security of the region.

The theme for Putrajaya Forum 2014 is in line with the current security threats around the globe. An increasingly globalised world brings with it a sense of uncertainty. One where multi-fold shifts in technology and societal behaviours have created an increasingly unpredictable threat environment globally. Day by day, the nature of security threats, both traditional and non-traditional are rapidly evolving. Indeed, the biggest threats to nation states today are not so much from each other than by non-statist, and as is often the case, trans-national entities. These come in many forms, from religious extremists to cyber terrorists. We stand at a turning point in our history where knowledge information and news, truths, half-truths and outright lies, digitised, networked and automated, pervasive and instantaneous; have become a very important component in shaping our political, economic, cultural and security concerns. Local and international events are inevitably linked in complex and unpredictable ways. We now find ourselves caught up in a reality to an extent that we have not begun to really appreciate.

The Putrajaya Forum 2014 had enabled many experts in the field of defence and security to exchange opinions, experiences and best practices with all the forum participants. Knowledge sharing is extremely important as it heightens the sensitivity to all defence and security professionals and non professionals alike of

the current issues at hand. These new dynamics and threats demand of us to think outside the box, testing "blue ocean" strategies, primarily in the interest of peace and stability of our nation states.

Furthermore, by 2015, ASEAN Community will be formalised thus regional stability is the key success factor of this regional integration. This theme was chosen in light of alleviating the efforts for security cooperation in this region including ASEAN Plus dialogue partners.

The Putrajaya Forum 2014 was opened by the Right Honourable Prime Minister and was closed by the Right Honourable Deputy Prime Minister. The two keynotes that were addressed during the Forum were titled "Strengthening Regional Cooperation in Non Traditional Security" and "Emerging Regional Security Threats". The Forum included six panel sessions from notable ministers, secretaries, senior government officials and experts from Asia, Europe and the United States of America. Among the topics discussed were "Transnational Organised Crime in Asia"; "Money Laundering and Terrorism Financing" and "Trans-border Migration: A Challenge to Regional Stability".

The Forum was also attended by several prominent ministers and Chiefs of Staff from the Asia Pacific region and Europe. The distinguished speakers and experts in the field of local and international defence and security were put together on a same platform that was both open and informative. Approximately, 750 local and international participants from defence and security, researchers, private and government universities, enforcement officers and policy makers participated in the two day forum this round.

I am delighted to say that the Putrajaya Forum 2014 has indeed given positive impact nationally and internationally in the area of defence and security. ■

Dato' Seri Hishammuddin Tun Hussein
Chairman

Executive Summary

The Putrajaya Forum 2014 with the theme 'Strengthening Security and Regional Stability' was successfully organised by MiDAS at Seri Pacific Hotel, Kuala Lumpur on 14-15 April 2014. It is an international platform for policy makers, defence and security agencies, think tanks, as well as academicians to meet, discuss and share knowledge to promote understanding on regional and international defence and security issues through two keynote addresses and six plenary sessions that addressed current events and future challenges to national, regional and global security. This 3rd Purtajaya Forum 2014 has helped to enhance know-how and knowledge amongst the forum participants in understanding and dealing with global, regional, trans- national and national security and defence issues that threaten common ideals, way of life and survival. Clearly the six sessions helped provide new perspectives, experiences and invaluable input from international, regional and national policy makers, academicians, and defence and enforcement agencies that face the same issues in their daily business.

The arrival of the Right Honourable, Dato' Sri Mohd. Najib Tun Razak, Prime Minister of Malaysia accompanied by Minister of Defence, Secretary General of the Ministry of Defence and Chief Executive of MiDAS.

The Forum was officiated by the Right Honourable Dato' Sri Mohd. Najib Tun Razak, the Prime Minister of Malaysia and closed by the Right Honourable Tan Sri Hj. Muhyiddin Hj. Mohd. Yassin, Deputy Prime Minister of Malaysia. The Forum had two Keynote Addresses and 6 Panel Sessions. Keynote Address 1 was on 'Strengthening Regional Cooperation in Non Traditional Security' while Keynote Address 2 was on 'Emerging Regional Security Threats'. The 6 Panel Sessions addressed important areas including 'Transnational Organised Crime', 'Money laundering and Terrorism financing', 'Trans-border Migration: A Challenge Regional Stability', 'Rethinking of Military Doctrine', 'Terrorism: Trends and Challenges' and 'Influence of Non – State Actor: Impact on Global Security'. The forum was attended by both local and international participants.

The Right Honourable Dato' Sri Mohd. Najib Tun Razak, Prime Minister of Malaysia delivered the Opening Address in which he spoke about the rise of non state players and criminal groups which threatened the peace and security of the region. In that aspect Malaysia believed that ASEAN might embrace greater cooperation and encouraged deeper commitment to the rule of law for the greater good of development. The Prime Minister held that the growing global interest in Asia and Southeast Asia brought opportunities as well as risks. The United States he noted was one power that has put its full attention to the region. He said that by working with friends and neighbours, Malaysia could choose to share the dividends of stability and avoid the cost of conflict.

ASEAN he believed needed to strengthen its collective power far beyond its individual needs. He wanted the security issue as one of the community pillar of ASEAN be supported and upheld beyond 2015. ASEAN in essence provided the necessary platform to promote confidence, transparency and development of rules and norms for example the Code of Conduct that involved China. Importantly, he felt that ASEAN should promote a culture of peace and suggested that ASEAN could find a greater role in responding to the demand of all peoples for better governance in that it could later provide a forum for conflict resolutions and bridge to security problems in a wider world. As such he said that the second task alongside strengthening ASEAN was to embrace greater collaboration on security. He added that cooperation with those beyond ASEAN remained a critical part of regional security. ASEAN should explore ways to contribute to the global primary security challenge of non proliferation, conflict resolution and peace building, counter terrorism and piracy. Only then he suggested that ASEAN could ensure Asia's rise would be both peaceful and prosperous.

The Opening Address was followed by Keynote Address 1 by the Honourable Dr. Ng Eng Hen, Defence Minister of Singapore. The title of his Keynote Address 1 was 'Strengthening Regional Cooperation in Non-Traditional Security'. In the delivery, he touched on the timeless good relations that both Singapore and Malaysia had

had. He believed that the shared interests amounted to a better future together for citizens. Both Defence Ministers he added had a goal of deepening bilateral defence relations by pushing up existing military interaction across the three services. He admitted that in this day and age no wars are expected between states but he was assured that a Human Disaster Relief (HADR) situation was a must and was foreseeable for any career soldiers' future as the trend was rising each year. He identified scale of a disaster, the existing mutual trust between militaries and the increased greyness or lack of demarcation of what amounted to the traditional and non traditional security threats.

As such he suggested three things that were needed to enhance common or mutual advantage between states in ASEAN and the rest. The first being better information and intelligence sharing. Second, better networking across government agency, civilian NGOs, public and private sectors and lastly more military exercises to build capabilities and improve effectiveness in the area of non traditional security. Cross-boundary issues he explained was impossible to stop using only physical means, while a regional crises coordination centre would be helpful in Human Disaster and Relief challenges as they appeared. Dr. Ng reminded everyone that our militaries must prepare for the uncertain future, one with a threat more demanding and amorphous between military and civilian realms. At the end, he was confident that despite the new challenging situation, the pooling of

resources and synergised efforts on shared interest and aspirations and principles that looked to be strengthened would meet the challenges.

Session 1 of the Putrajaya Forum 2014 entitled 'Transnational Organised Crime' was presented by three speakers. The Honourable Dato' Seri Dr. Ahmad Zahid Hamidi, Minister of Home Affairs Malaysia; the Honourable Mr. Scott Morrison, Minister for Immigration and Border Protection, Australia and Mr. Mark Cox, United Kingdom's Fiscal Crime Liaison Officer, United Kingdom. The Session was moderated by YABhg Tun Mohammed Haniff Omar, Deputy Chairman, Genting Berhad. In Session 1, it was concluded that although Transnational Organised Crime was involved in all the regions of the world, the existing regional and global legal infrastructure was adept at reducing the challenge, but there must be collaborated means to choke further transnational crime through better border protection efforts that aim to combat human trafficking, transnational crime and terrorism. It was agreed that without cooperation and collaboration among each country and the relevant agencies the fight against transnational crime would be futile.

Session 2 entitled 'Money Laundering and Terrorism Financing ' was also presented by three speakers. Mr. Abu Hassan Alshari Yahaya, Assistant Governor, Central Bank of Malaysia (BNM), Prof Emeritus Dr. Reiner Pommerin, Professor at the University of Dresden, Germany and Mr. James Hayes, Head of Terrorism Finance, the United Kingdom. Session 2 was moderated by YBhg Gen Tan Sri Dato' Seri Zahidi Hj Zainuddin (R), Chairman of the Board of Affin Holding Berhad. It was summarised that law and the abidance to the rule of law was the source by which money laundering and terrorism financing could be stopped and important to it all was to make the illegal venture non profitable to both common criminals and terrorists. It also warned of the use of diamonds trade, pre paid cards and virtual currencies as the new means of laundering money and terrorism financing. Lastly, it was shared that national and international legislation on the matter must always be revised to ensure that it kept pace with technological changes that may allow for loop holes, no matter how small.

Session 3 entitled 'Trans-border Migration: A Challenge to Regional Stability' was presented by three speakers. YBhg Dato' Shakib Kusmi, Deputy Director General Immigration Department of Malaysia; Major General Andrew James Molan (R), PM's Special Envoy for Operation Sovereign Borders, Australia and Mr. Andrew Bruce, Regional Director for International Organisation for Migration. Session 3 was moderated by Professor Dr. K.S Nathan of the National University of Malaysia. The third session found that historical developments had played a major role in migration. And the spur of economic growth in the rising region looks to generate more of the same. The worry by national governments and states were growth also meant rise of the illegal means of migration and their toll on their victims. Bad actors that include human traffickers, human smugglers, middlemen, harbourers,

unscrupulous employers and willing consumers support its momentum. The answer suggested was to make borders more secure through cooperation and continuous revaluation of enforcement efforts. Good policies as opposed to bad policies needed to be created to reward good behaviour and reducing the benefits of illegal activities. It was concluded that politically good policies included regional cooperation to prevent and combat irregular movements, comprehensive responses to crisis situations with a migration dimension; improving public perception of migrants and migration and support for migrants to integrate in host communities and importantly, through solving land and property disputes through the use of reparations.

Session 4 entitled 'Rethinking Military Doctrine' was presented by three speakers. General Sir Nicholas Houghton, Chief of Defence Staff, United Kingdom; Lt. General Daniel Leaf USAF (R), Director of Asia Pacific Centre for Security Studies, Hawaii, USA and Lt. General PK Singh (R), Director of United Services Institution of India, India. Session 4 was moderated by YBhg General Tan Sri Dato' Sri (Dr.) Zulkifeli Mohd Zin, Chief of Defence Force Malaysia. It was observed in Session 4 that military doctrine served as the operational guidance to command designated staff, it was the embodiment to the tactical level and also enduring principles learned through operation experience and lessons learned. National doctrine was timeless and military strategic thought needed constant revalidation of its utility of the military instrument of national power. However, it was found that traditional roles remained important as an army, an air force, a navy and marine force needed to do three things; deter an enemy without fail, defend a country and win. That said the ability and willingness to operate the Armed Forces must come under the rule of law, transparent not just to the government but also to the people that they protect. In summary the military must reconcile with the political leadership specifically to democracies that they serve in order to maximise results. The integrated nature of modern conflict it was argued needed to cater for full doctrine operations. The Armed Forces must be able to carry out joint operation in the length, maritime space, cyber and nuclear domains and soldiers must be able to fight and destroy transnational non-state organisations operating from anywhere. Lastly, all militaries must hold on to the percept that they must be prepared to defend their own national core interest on their own.

Session 5 entitled 'Terrorism Trends and Challenges' was presented by four speakers. Professor Kumar Ramakhrisna, S. Rajaratnam School of International Studies, Singapore; Dr. Peter Knoope, Director of International Centre for Counter Terrorism, The Hague, Netherlands; Mr. Thomas Koruth Samuel, Director of Research and Publication Division, SEARCCT, Malaysia and Superintendent Mohd Zaini Mohd Akhir, Special Branch Counter Terrorism Division, Royal Malaysian Police. Session 5 was moderated by Professor Ruhanas Harun, National Defence University

of Malaysia. There were four key features of Terrorism which were; increased destructiveness, religious ideological dimension, network structured and flexible leadership style. Interestingly due to intense security and intelligence action since 9/11, Al-Qaeda was no longer the same at the global level. Its configuration the forum was told had four distinct but mutually exclusive elements. The Al-Qaeda Central, the Al Qaeda Affiliates, the Al-Qaeda Networks and finally the Al-Qaeda galaxy. The 'New Lone Wolf' was identified as the next wave of terrorism. As such it was suggested that governments need a new strategy other than intelligence sharing and cooperation. It must be prepared to order and deliver into cyber or public space an alternative message that competes with that of the Al-Qaeda. Intervention methods of approach must also change so as not to bore the youths and keep up with their complex desire to be important. Inclusion into common society was one way that could flip the condition. Based on real life enforcement experiences, it was found that the soft approach was one that managed to help rehabilitate those that had gone morbid.

Session 6 entitled 'Influence of Non- State Actor: Impact on Global Security' was also presented by four speakers. H.E Mr. Gotabaya Rajapaksa, Secretary to the Ministry of Defence and Urban Development, Sri Lanka; H.E Mr. Boguslaw Winid, Deputy Minister of Foreign Affairs, Poland; Professor Datuk Dr. Zakaria Haji Ahmad, Deputy Vice- Chancellor (Research) at the HELP University, Kuala Lumpur, Malaysia and Colonel Arnel dela Vega, Senior Military Adviser to the Secretary of National Defence, Philippines. Session 6 was moderated by the Honourable Datuk Abdul Rahim Bakri, Deputy Minister of Defence, Malaysia. Session 6 shared opinions on the notion of non-state actors and state where the moral limitations, ploys and obligation of governments in tactics and strategy were discussed. The case of Ukraine and the nuances of state against state intervention and manipulation or the case of Sri Lanka's in that they had to brave it alone and prepare the international public of their position against what was clearly an act of violence against government were explained. The legal differences and the use of tactics between one state against the other as opposed to internal dissentions and sabotage were also elaborated. Meanwhile there was also concern on the issue of whether or not the influence of non state and the challenge it mounts to any particular state will be dependent much more on the nature of the state. Finally the call was made that that in facing any security concerns today, governments must remain committed to enhance cooperation and bring strategic stake holders in the form of national, regional and global security policy making process.

On the second day of the Putrajaya Forum 2014 the Keynote Address 2 was delivered by the Honourable Dato' Seri Hishammuddin Tun Hussein, Minister of Defence, Malaysia. He spoke of the age in which we lived in. An age of uncertainties

and the multi-fold shifts in technology and societal behaviours that have a net effect of creating an increasingly unpredictable threat environment globally. Security threats he identified – be it traditional or non-traditional evolve rapidly more often outpacing state abilities to find suitable solutions. He suggested that governments must persevere diligently in keeping up with the ever-changing global security landscape –mapping out the stake holders and issues related to them. He held that today states are less threatened by one another but instead was threatened by the growing risk posed by non-statist, often international entities or from religious extremists to cyber terrorists. He summarized that this situation was attributed to the increasing number of non state actors in the international dynamics. As a result, traditional state-centric notion of security has been challenged by more holistic approaches to security. Among the approaches that were paradigms that included cooperative, comprehensive and collective measures, aimed to ensure security for the individual and as a result the state. He called on everyone to examine these new dynamics and threats that demanded everyone to think out of the box –testing the 'Blue Ocean Strategies' primarily in the interest of peace, stability and prosperity of our nation states.

Group photograph with the Right Honourable, Dato' Sri Najib Tun Razak, Prime Minister of Malaysia at the Putrajaya Forum 2014 flanked by Ministers and Senior Government Officials

At the end of the two day event, the Putrajaya Forum 2014 was officially closed by the Right Honourable Tan Sri Muhyiddin Hj Mohd. Yassin, Deputy Prime Minister of Malaysia. In his closing address, he congratulated Defence Minister, Honourable Dato' Seri Hishammuddin Tun Hussein and MiDAS and all those involved for successfully convening the forum. The theme, 'Strengthening Security and Regional Stability ' highlighted over the past two days the potential threats emanating from 'non-traditional methods and above all from non state actors. He stressed the importance of regional cooperation in particular ASEAN as well as the networks of diplomatic relationships which spanned across the globe to collectively address the emerging security challenges. The forum he concluded also had put a holistic and whole of country approach view ahead as a viable solution to the many threats that had multiplied through the years.

He hoped that such effective and close cooperation would continue to generate the ability to identify and address such threats of any sorts which might be detrimental to regional safety and stability. The recognition of ASEAN by the world as the platform for maintaining peace and stability amongst its members but also a forum for engagement with regional powers such as China, India, Japan and Korea through consensus and mutual respect had gone a long way towards avoiding unnecessary conflicts and tensions. He added as countries share a common desire to strengthen cooperation and initiatives that promote greater security and stability for the common free world, better result should unfold. Lastly, he foresaw that as the forum matures into one of international stature, it would necessarily complement other security dialogues in the region as a respected platform for discussion where security initiatives were constantly developed to address emerging threats. ∎

Lt Gen Datuk Dr. William Stevenson
Chief Executive MiDAS

Chapter 1

Opening Address
Strengthening Security and Regional Stability

14 April 2014

The Right Honourable Dato' Sri Mohd. Najib Tun Razak
Prime Minister of Malaysia

Opening Address
Strengthening Security and Regional Stability

'Opening Ceremony' of Putrajaya Forum 2014

The Right Honourable Dato' Sri Najib bin Tun Razak, Prime Minister of Malaysia welcomed all the participants to the Putrajaya Forum 2014 on behalf of the government of Malaysia. He recalled the first forum back in 2010 which focused on the emergence of regional security architecture. Addressing that forum, he spoke about the rise of non-state players and criminal groups which threatened the peace and security of the region. Since then, the region had seen conflicts in Lahad Datu, the kidnapping in Sabah and the resolutions of decade old civil war in Bangsamoro. Due to a strong security understanding between ASEAN members and Malaysia's own security and negotiations professionals, Malaysia was able to restore the integrity of its borders and brought peace to Southern Philippines. Although the risk of conflict between ASEAN members seemed remote, security relationship

could be tested by chain events such as the global response to MH370. As the recent kidnapping in Semporna suggested, non-state threats remained serious and in the 4 years since the 1st Putrajaya Forum, pressure over contested maritime territory had intensified.

The Prime Minister added in the face of such challenges, Malaysia believed that ASEAN might embrace greater cooperation and encouraged deeper commitment to the rule of law. To elaborate further, he reminded where 50 years ago, ASEAN accounted for less than 15% of global output. Nowadays, it accounted for more than 40%. By the same token, 50 years ago, Kuala Lumpur was not even classed as a city. As of now, on population alone it stood as the 5th largest city in the United States. He indicated that within the next decade perhaps, China would emerge as the world's largest economy; and by the end of the decade, ASEAN output would exceed that of Europe and North America combined together, and the economic development will be accompanied by waves of political reform.

The Prime Minister mentioned that President Barack Obama, who attended school in Indonesia, had recalibrated his strategy towards Asia. However, "the pivot to the Pacific" was not about just one country; Russia, European Union and others were also looking at Asia's way, and within the component, Southeast Asia remains the region of interest for many countries. Due to its strategic location and its resources, the Straits of Malacca retained a position of critical strategic and economic importance. The South China Sea was another vital sea line of communication connecting the Indian and Pacific Ocean, and harbouring potentially large energy reserve.

With a history of non-traditional security threats, and tensions over disputed islands, it remained an area of concern – for Malaysia and for its international partners. The Prime Minister believed that the growing global interest in Asia and Southeast Asia brought opportunities as well as risks. By working with friends and neighbours, Malaysia could choose to share the dividends of stability and not the cost of conflict. In this regard, there were two things that ASEAN should have done. First, ASEAN should continue the work of generations i.e. to strengthen ASEAN, the regional economic social and security group that grants its members a collective power far beyond their individual needs. As one of the 5 founding members, Malaysia's foreign policy could not be understood without ASEAN. Malaysia believed that a strong and successful ASEAN was not just an economic necessity but a strategic imperative. As Malaysia was preparing for the chair of ASEAN in 2015, and a possible inclusion into the United Nation Security Council he was encouraged to note that the security issues were one of ASEAN community pillars which all members had pledged support and would uphold from 2015 and beyond. The institution that ASEAN leads such as the ASEAN Plus dialogue process,

the ASEAN Regional Forum, the ASEAN Defence Ministers Meeting Plus and also the East Asia Summit were critical. They provided the necessary platform to promote confidence, transparency and development of rules and norms. For example, the discussion between ASEAN and Myanmar; and China on the code of conduct (COC) of parties in the South China Sea were making good progress. The COC would be the key instrument in ensuring the proper management of the vital sea links one so much depended upon. There were also positive precedents for handling such situations. The dispute between Malaysia and Indonesia on the Island of Sipadan and Ligitan were settled amicably in the International Court of Justice. Similarly, the disagreement between Malaysia and Singapore over Pulau Batu Putih or Pedra Branca took a similar path showing that diplomacy and adherence to internationally acceptance law can and must prevail.

The Right Honourable Dato' Sri Najib Tun Razak, Prime Minister of Malaysia delivering his 'Opening Address' amidst distinguished international and local guests at the Putrajaya Forum 2014

The Prime Minister said that ASEAN could also play a strong role in promoting a culture of peace. Conflicts within ASEAN members, be it due to ethnic drive or political differences continued to be a cause of concern. Malaysia would continue to play a facilitative role in addressing this internal conflict whenever such a request was made. He was heartened that moderation had been adopted as a key of ASEAN values. The challenge was to turn the concept into specific actions. Organisations such as the Global Movement of Moderates should continue to work closely with existing ASEAN institutions such as ASEAN Institute for Peace and Reconciliation. Programs related to moderation should be included in the road map to establish the ASEAN community which was to be adopted in Malaysia in 2015.

He stressed that ASEAN should also continue to bind its members into shared prosperity within the network of free trade agreements which apart from helping the members in adapting to the emerging economic trends could well prosper from it. ASEAN could find greater roles in responding to the demands of the people for better governance, helping to alleviate greater concerns which could drive political instability. ASEAN could strengthen its governance in government and democratic reform by adopting the ASEAN declaration on human rights. He said through ASEAN, member states had substantially reduced intra-regional threats, and ASEAN had provided a forum for conflict resolutions and bridging security problems on a global scale. It also strengthened the bond between members as Malaysia had experienced such bonding which were needed and tested ultimately in difficult times.

The Prime Minister explained that in February 2013, there was an armed intrusion in Lahad Datu, driven by a misguided belief to lay claim on the state of Sabah. After failing in seeking a peaceful resolution, Malaysia was forced to react with military force. In the aftermath, Malaysia established the Eastern Sabah Security Command (ESSCOM) hoping to strengthen the maritime security in the area. He said the Lahad Datu incident reinforced the need for close cooperation with our neighbours, and he wished to acknowledge the role played by his friend, His Excellency President Benigno Aquino III and the Philippine authorities in assisting Malaysia at the height of the crisis.

By the same token he said that he was pleased to report that Malaysia was able to repay the favour – and demonstrate its own commitment to lasting peace in the region – as the negotiations for the Comprehensive Agreement on Bangsamoro entered the final stretch this year. Malaysia was honoured to have facilitated the final deal between the Government of the Philippines and the Moro Islamic Liberation Front(MILF); the culmination of many years work, and an enduring commitment to peace. The Agreement was a clear example of how close cooperation and camaraderie could overcome conflicts, and dampened potential flash points in the region.

The Prime Minister also talked about the missing Malaysia Airlines flight MH370. He cited that much had been said about this unprecedented conundrum in aviation history. Malaysia had given its all to find the plane; and in this darkest hour, it had drawn solace from the assistance granted to them by friends from around the world. Over the course of the past months, Malaysia had seen Chinese ships entering Vietnamese waters to search for the plane; Malaysia had shared, and received, military radar data, putting the search above national security; Malaysia had seen assets from dozens of countries combined and deployed in a truly global effort. These challenges were harmonized with assistance from Malaysia's friends in ASEAN, but they also depended on the relationships forged outside of formal ASEAN structures.

He said that the second task, alongside strengthening ASEAN, was to embrace a wider collaboration on security. Cooperation with nations beyond ASEAN – including those who had the capabilities to address multi-dimensional security threats – remains a critical part of regional security. At the international level, ASEAN countries should explore ways to make a bigger contribution to the world's primary security challenges: non-proliferation, conflict resolution and peace building, terrorism and piracy.

Honourable and distinguished guests listening intently to the Opening Address by the Right Honourable Dato' Sri Najib Tun Razak, Prime Minister of Malaysia at Putrajaya Forum 2014

On non-proliferation, he acknowledged that ASEAN had adopted a more comprehensive treaty, the Southeast Asian Nuclear Weapon-Free Zone. Asian voices should strongly support the proposed conference on the establishment of a similar zone in the Middle East. Asia should also make a concerted effort to implement and enforce strategic trade controls to cut the risk of dual-use goods. He proudly remarked that the Regional agreement on piracy was cited as a strong example of regional co-operation by the International Maritime Organisation, which seeks to replicate it elsewhere. He suggested the same principles – of sharing information and building capacity – could be applied to anti-terrorism initiatives, which, despite their successes, had sometimes lacked the co-ordination needed to be truly regional. The South East Asia Regional Centre for Counter-Terrorism, which was established in Kuala Lumpur in 2003, and which had worked with ten countries outside the region, provided one forum in which such co-ordination may be discussed.

The Prime Minister said that on peacekeeping and conflict resolution, Asian nations were already ramping up their involvement in the promotion of global peace. Japan had made peace building as one of its main diplomatic priorities,

South Korea had markedly increased its peacekeeping and post-conflict work, and many ASEAN nations – such as Vietnam, which will join UN operations next year – were looking to play a more active role. He said Malaysia, which had provided numerous deployments to ISAF in Afghanistan, had already played an active role resolving regional conflicts; not only in facilitating peace in the Southern Philippines, but also by taking the first steps towards negotiation in Thailand's restive south. It was the commitment to regional peace through moderation and negotiation which underpins Malaysia's bid for a non-permanent seat on the UN Security Council for 2015-2016.

He believed that by working together to strengthen ASEAN, and to develop deeper connections between ASEAN region and the world, ASEAN could be better prepared for the security challenges it would face in the years to come. In the midst of a period of sustained economic and geopolitical interest, ASEAN could ensure Asia's rise is both peaceful and prosperous. As ever, co-operation depends on communication and that was what the Putrajaya Forum was all about.

Finally the Prime Minister congratulated the Malaysian Institute of Defence and Security for successfully convening the Forum. He also acknowledged the contribution of the Defence Ministers, and the heads of various agencies involved, for their participation. He thanked all participants for their presence, contribution and ideas, as ASEAN seeks to build a consensus for regional stability and peace. Finally, the Prime Minister officially declared the 3rd Putrajaya Forum open. ∎

The Right Honourable, Dato' Sri Najib Tun Razak, Prime Minister of Malaysia receiving mementos from Dato' Seri Hishammuddin bin Tun Hussein, Minister of Defence Malaysia and Chairman of MiDAS.

Chapter 2

Keynote One
Strengthening Regional Cooperation in Non- Traditional Security

MODERATOR

Tan Sri Dato' Sri Jawhar Hassan
Chairman of ISIS, Malaysia

SPEAKER

The Honourable Dr. NG Eng Hen
Defence Minister of Singapore

Keynote One

Strengthening Regional Cooperation in Non-Traditional Security

The Honourable Dr. Ng Eng Hen, Minister of Defence Singapore as speaker for Keynote Address 1

The Honourable Dr. Ng Eng Hen, Minister of Defence Singapore began by explaining that bilateral defence ties between Malaysia and Singapore were growing stronger in tandem with their overall state relationship. Political leaders on both sides recognise that they have many shared interest for a better future together. Both governments are actively looking for ways to enhance bilateral cooperation, build confidence and trust with each other and provide mutual benefits for their citizens. Many people would acknowledge the progress made, and many good ideas, including the high speed rail link which is currently under serious study as to how it may be implemented soon.

He added that in the area of defence, both the Malaysian and Singaporean militaries have held exercises for many years together and this had brought both the MAF and SAF personnel closer. He gave the example of 'Exercise Malapura' between the 2 national navies that is now in its 30th year of execution. The armies would conduct its annual 20th Exercise, 'Semarak Bersatu' later this year. The senior commanders would attend each other's military courses and many know each

other on a first name basis. This deep and long interaction, all go well for a stable and shared prosperous future between Malaysia and Singapore.

He was confident that as Honourable Defence Ministers, Dato' Seri Hishammuddin and himself had shared a strong common desire and goal to deepen this existing bilateral defence relationship further. In the future, he expected that they could step up military to military interaction for even more and across the three services.

Dr. Ng expressed his sympathies for the Malaysian Government in relation to the recent tragedy that had struck Malaysia and those affected over the missing airline, MH370. He said that Singaporeans join in prayers and hope that there will be closure to this tragic chapter in aviation history. He also extended Singapore's support to the Malaysian government in the handling of the MH370 incident. He further mentioned that at the recent US-ASEAN Defence Minister Informal Meeting in Hawaii, the ASEAN Defence Ministers issued a joint statement to say that "Malaysia has done its level best in response to this unprecedented predicament, given the sheer scale of the search and rescue operation which is the biggest and most complex we have ever seen". He explained that the international response to the MH370 incident is a vivid illustration of expanded roles of the modern military today. In all and in short notice, militaries from 26 countries came together to search for the missing plane. Firstly, in the South China Sea then the Andaman Sea and now in the deep south of Indian Ocean. The vast inventory of ships, planes, helicopters, submarines, ground base and satellite radars both manned and unmanned were all deployed for this mission.

Honourable and distinguished guests at the Putrajaya Forum 2014 during Keynote Address 1

He explained that for Singapore, they deployed their submarine rescue vessel, a frigate with a naval helicopter, missile corvette, C130 and Fokker F50 aircraft. Much of these military responses to civilian tragedy of MH370 were spontaneous because the global community empathised with the pain of the families of MH370 passengers having to cope with the uncertainty and stress that overcame them, so international help was readily forthcoming.

Dr. Ng noted, the global military response to MH370 is not a one off incident and that the military actively contributed in the non-traditional areas. For centuries countries had raised the military for the primary purpose of protecting the country's sovereignty and territorial integrity. But today, militaries are increasingly called upon to deal with transnational security challenges related to terrorism, drug and human trafficking, counter proliferation, natural disaster, biological pandemics and cyber-security.

He added that for many countries and Singapore included, the population expects the military to step in when these challenges arise. He raised some questions. Is military the right organisation and suited to respond to these threats? If so, how can the military improve their effectiveness including working with civilian personnel? What are the legal and political ramifications for the military? Are there limits that should be set or tighter rules of engagement prescribed? These are all important considerations because the military everywhere are increasingly engaged in non traditional security challenges. Dr Ng had hoped that the forum could shed some insights to this important challenge.

Dr. Ng mentioned that at the recent US-ASEAN Defence Minister Informal Meeting in Hawaii, the commander of the US Pacific Command, Admiral Samuel Locklear, related how he could point out to his new officers and while all of them may not see actual combat during their careers, he was sure that almost all of them would have to conduct Human assistance And Disaster Relief (HADR) operations. He explained that in the last decade alone, the Singapore Armed Forces had mounted over 20 HADR operations, deployed 5 naval tasked groups and maritime patrol aircraft's to the Gulf of Eden for counter piracy operations, deployed troops and assets for stabilisation and reconstruction efforts in Afghanistan over a 6 year period. And have been involved in numerous homeland security and civil contingency operations. Dr. Ng was also confident that the Malaysian Armed Forces (MAF) had experienced the same rising trends which will increase further with obvious reasons that seventy percent (70%) of all natural calamities globally occur in the Asia Pacific region. He explained that scientists believed that extreme weather conditions will continue if not escalate further. He foresaw that in a more interconnected world our militaries would also be asked to do more to maintain national peace and stability.

Dr. Ng acknowledged that the MAF for example had played significant roles in the peace effort in Mindanao, Philippines. Malaysia has been involved since 2001 including holding peace talks leading the strong 60 international monitoring team. He added that the MAF has also served UN missions and had experience of being deployed to far away countries such as Sudan, Lebanon, Congo and Liberia for peace keeping operations. He added that although, there may be some that may ask if militaries ought not to focus exclusively or predominantly on their primary role to defend their nation's territorial integrity; Dr. Ng nevertheless, believed that the secondary roles for militaries in non-traditional security issues were justified for 3 reasons. Firstly, the scale of most natural disasters and transnational threats encompass many countries and even if it was confined to a single country the devastation could easily overwhelm its resources. No single country affected may by itself be able to withstand such a threat. And he added that, it is simply economically unsustainable for any one country to prepare for such contingencies based on its own resources.

He mentioned that in the last 2 years alone, natural disasters have cost the world roughly US$300 billion and 30,000 lives - posing significant challenges to the stability and development of a nation state. The Indian Ocean tsunami in 2004 took the lives of over 230,000 people in 14 countries including Indonesia, Sri Lanka, India, Thailand and Maldives. Up to 5 million people had lost their homes or access to food and water. He added according to UN estimates, 'Typhoon Haiyan' last year wreaked havoc in the Philippines and Vietnam, and even Southern China affecting about 11 million people and displacing more than 600,000 people. When a natural disaster strikes, existing infrastructure is often wiped out and normal function disabled. In these conditions he believed that militaries are often the only organisation remaining to respond at such short notice. Such disasters will also need the assistance of the international community and help from the regional militaries in the immediate aftermath.

Secondly, regional militaries in their country should build mutual trust when they help each other or work together to provide assistance in another country. He mentioned the positive effects on militaries through working together in the ongoing search effort for MH370 where despite territorial disputes in some of the search areas, the regional militaries and international community were able to put aside their differences and worked together. Another example is multinational effort to counter piracy in the Gulf of Eden. Navies from various multinational task forces combined as Taskforce 151, currently commanded by Pakistan and which the Singapore navy is part of, the EU's 'Operation Atlanta' and NATO's 'Operation Ocean Shield', together with independent deploys including Malaysia are operating in a cooperative manner to deter and disrupt piracy. These efforts he explained are

important and eye common interest as threats to key shipping lanes like the Gulf of Eden that may impact the global economy and affect all our common interest. He believed that in these valuable interactions, our militaries can help protect the global common good, enhance cooperation and build common understanding with each other. This confidence building measures can reduce the risk of miscalculation especially over traditional challenges such as territorial disputes.

Dr. Ng added that thirdly the security threats of today no longer fit neatly into the traditional and non-traditional threats slots. And neither do they conform to clear divisions between civilian and military arenas. Terrorism was one such example. He reminded everyone that in the 9/11 incident, commercial aircrafts were used to attack the twin tower in Manhattan. Later in the Mumbai terrorist attack of 2008, a few gunmen caused tremendous devastation and the military had to be called in to assist the police forces. Any civilian vessel on air, land or sea filled with explosive can also be deemed a military threat. So as a maritime nation, he said that Singapore had approximately 1000 ships calling in into their port and crossing their waters every day. He added that Singapore has had to dramatically changed its organisational structures and processes to improve the combined responses of civilian agencies and navies. Artificial barriers that impede the coordination between agencies were broken down through the setup of the National Maritime Security System which is led by the Singaporean navy that also included all other agencies such as the immigration and the check point authority, maritime and port authority, the police coastguard and customs. Counter proliferation is another example where civilian and military agencies may work together to interdict the illegal and illicit transport of weapons of mass destruction (WMD) and their delivery systems and related material, of course, in a manner consistent with national and international law.

Dr. Ng said that cyber threats represented another non-traditional security domain that will grow exponentially in which military establishments would also have to address because attack on civilian critical infrastructure from cyber space can also affect severely the physical security within any country. He reminded the audience the destructive nature of cyber-attacks to Ukraine, Georgia and Estonia where the attackers made no distinction between civilian and military targets. On the horizons, he expected that the rapid changes in demography, urbanisation, population, mobility and migration would also bring new security challenges to the fore. Food and water security, civil strife and biologic pandemics may require the military assist in times of mass crisis. He added that as the former German Chancellor, Helmut Schmidt noted in his speech a few years ago that within the next 40 years, there will be 9 billion human beings on this planet. More than 5 times as it was at the beginning of 20th century. As the available space per capita decreases, particularly in Asia, Africa, and Latin America, the tendency for migration,

for local and regional wars, for rebellion and civil strife already prevailing some of these countries would probably continue. Far bigger crowds can no longer live in the village but are huddled together in mega cities. Dr. Ng elaborated and agreed that that at the recent unit security conference he heard Mr Schmidt reiterate this point, that our present security capabilities are not configured to resolve dense type population crises in urban cities. He asked that if militaries were to be involved in non-traditional security challenges, how can they improve their effectiveness. He continued with a few examples employed by Singapore and other ASEAN member states. Firstly he mentioned that the governments concerned need to better leverage technology and information, as cited by the Prime Minister Najib earlier in his opening.

Dr. Ng next explained that cross boundary issues and transnational threats are too big to be effectively tackled using physical means and as always we need better information sharing and intelligence to target specific threats. And this was the reason why Singapore setup what it claims to be the Information Fusion Centre (IFC) by the Singaporean Navy. He added that some of the participants may have visited it, some of the countries have liaison over in Singapore as it is located at Changi C2 centre. He said that the IFC or maritime agency relies on its network from both military and civilian agencies and so far more than 30 countries gave input to their database. Different country, civilian agency put in what information they have and using advance software, the IFC fuses all these inputs to generate a common maritime picture that identify anomalies and potential threats at sea. Practical benefits have been demonstrated from this crowd sourcing cooperative approach. When a Malaysian ship was hijacked in the South China Sea in 2012, the IFC obtained information from our partners and provided them to the Vietnamese authority who subsequently arrested the perpetrators. He elaborated that the IFC was also recently activated to assist in the MH370 search efforts when the area of operations moved to the south. Officers from the 13 navies' stationed at the IFC were able to collect and disseminate information shared by partner navies. The IFC also acted as a network for more than 300 civilion shipping companies to report any unusual sightings in the designated search areas.

He pointed out that there was an urgent need to build up networks across government agencies, civilian NGOs, and between public, private and people's sectors and do so before disaster strikes. The Five Power Defence Agreement (FPDA) exercises which Malaysia and Singapore are part of, have already incorporated civilian agency in our exercises. He further explained that at the recent informal dialogues with the US and ASEAN Defence Ministers in Hawaii, the Deputy UN emergency relief coordinator, Dr. Kang had proposed more interactions between civilian and military agencies. In parallel with Singapore's proposal to host a regional crisis coordination centre, Singapore will do more to increase interaction

between civilian agencies and military in Human and Disaster Relief (HADR). He said that the expanded role of military and non-traditional challenges would also require parallel changes in national and international laws. The issue of legitimate government mandate, accountability, the rules of engagement and relationships between military and civilian authorities needed attention. In Singapore example, they had to revise the Singapore Armed Forces (SAF) Act some years ago, in order to allow the Singapore military to conduct security operations in support of civilian authorities such as the protection of key civilian installations, providing security for major events, and counter terrorist. The changes in legislation served to protect the interest of both the civilian as well as the SAF soldiers who are tasked to perform the secondary roles.

Distinguished guests of the Putrajaya Forum 2014

Dr. Ng also proposed that national militaries may exercise together to build capabilities and improve effectiveness in the area of non-traditional security. The ASEAN Defence Ministers Meeting Plus (ADMM Plus) have already embarked on this, in June 2014 the ADMM-Plus conducted its first joint exercise. All ten member states and 8 plus countries: Australia, China, India, Japan, Republic of Korea, New Zealand, Russia and the US came together to conduct a large scale HADR military exercise which Brunei hosted with ASEAN. It was a very substantive

exercise involving 3000 personnel, six ships and 15 helicopters. Military medical engineering and search and rescue team from all the 18 militaries participated in this exercise. The second cycle of ADMM-Plus Expert Working Group starts this April 2014. Singapore and Australia co-chairing the expert working group on counter terrorism and we are working closely with the co-chairs on maritime security as well as Malaysia, that will be the 2015 ASEAN Chair, to conduct ADMM-Plus counter terrorism and maritime security exercise in conjunction with our 3rd ADMM-Plus in 2015.

Dr. Ng suggested that exercises between militaries are important but also believed that we must also build an architecture for a better response to natural disasters especially in its immediate aftermath where coordination of effort was critical. He explained that was why at the recent US and ASEAN Defence Ministers Informal Meeting 2 weeks ago, he had offered Singapore Changi Command and Control (C2) Centre to host a regional HADR coordination centre. Because he believed that the first 24, 48 hours, at the early stage when disaster strikes, coordination efforts are down, and need immediate steps to setup the centre before disaster strikes. The Changi C2 Centre with its IFC is configured to handle 24/7 operations. It was setup in 2007 to promote maritime security in the region by enabling the international cooperation and interoperability maritime operations. There was support for this regional crisis coordination centre from other ASEAN Ministers and Singapore officials work together to operationalise this proposal.

He elaborated further that our region had enjoyed substantial growth and prosperity over the last two decades. And it continues to hold tremendous potential and promise. However, this region is witnessing substantial changes in the global order and the new security challenges that come with it. He proposed that we must prepare our military for the uncertain future. He also invited everyone to prepare for a breakdown the boundaries between civilian and military realms. As a region, he forecasted that we will need to build more resilient institutions and constructive partnerships in both bilateral and multilateral levels. He added that the future will no doubt be challenging and no country has the resources or ability to provide all the solutions. In conclusion, Dr. Ng was confident that Singapore and Malaysia will be able to meet the challenges as long as resources are pooled and efforts synergised to continue to work together based on shared interests, aspirations and principles.

The first response came from Gen Tan Sri Ghazali (R) who wanted to know that Singapore being a neighbouring country, what potential signs are shown that both nations could work together. He was however worried because that looking at the regional relationship, it can be frightening because of the multilevel multifaceted relationship. The ties intermingled with one another as well as other relations and the various influence of many splintered interests that included politics of which

sometimes we have no idea of its positive or negative impact towards our own country. At the same time, he found that in many aspects it does not only concern security because each neighbouring country has its own local dispute or problems that may disrupt the understanding between countries.

The Honourable Dr. Ng Eng Hen, Minister of Defence Singapore and moderator Tan Sri Jawhar Hassan during the questions and answers session

On the query, Dr Ng agreed with Gen Ghazali about his comment. He stated that there were enormous shared history between Singapore and Malaysia. And there were really very few reasons why Malaysian and Singapore should not want to work together. He believed that was the reason why Datuk Seri Najib Tun Razak, Prime Minister of Malaysia recognised and understood what was due to the step-up of bilateral cooperation through the Malaysia – Singapore (MS) venture. Dr Ng indicated that Malaysia and Singapore are building properties together as well as building the high speed rail links that connect Kuala Lumpur and Singapore. He visualised that people would stay in Singapore and work in Kuala Lumpur vice versa. Meanwhile, Dr Ng and Dato' Seri Hishammuddin, Minister of Defence Malaysia were committed in building up bilateral defence ties through various opportunities; the navies have had joint exercise for 30 years, the armies have done it for 20 years, and he suggested that the air forces should also step up the interaction so that it would be a good measure of confidence.

He added that the Asia defence spending has surpassed Europe since 2012 and more likely to keep on increasing due to Gross Domestic Product (GDP). Global trade has increased and countries spend a great deal for security through modernising of defence capability. Dr Ng stressed that we have to cite military modernisation was done on a stable platform. We need security architecture that allows countries to articulate the international principles. We need a platform where we can settle disputes, have dialogue and cooperation, as well as build confidence from man to man. These were the reasons for setting up the ASEAN Defence Ministers Meeting, with the aim to agree to a common set of principles, to establish order, progress and stability. It takes a lot of work but it was a sound footing. For that, we need to expand resources and effort and provide leadership through this mechanism.

Next YBhg Tan Sri Dato' Sri Jamal Hassan sought clarification on the realm of enhancing national security as response to natural disasters and wanted to know Dr. Ng's thoughts on whether the military was more equipped than other agencies to meet the requirement not only in disaster relief but also in other non-traditional security challenges.

Dr Ng clarified that having the military with a full mandate and responsibility over Human and Disaster Relief (HADR) was a recent phenomenon. The Defence Ministry was not always given a mandate to go ahead with the mission because it consumed public resources and there was always risk and things going wrong and as such public accountability by the government. He cautioned therefore the mandate was not automatic. He also added that the military was not always the best suited organisation to be the first responder to crisis. He cited an example that the US and ASEAN Defence Ministers Meeting also had a role to play. It was not totally dependent on military to response but also the relationship established or rapport before disaster strikes that enables commanders to approach various agencies and provide assistance.

He added that some of the HADR response came from countries far away where items such blankets, powdered milk and water purifiers were uploaded on a military vessel and travel thousands of kilometres away to reach the target areas but was deemed ineffective. If military was to be given the mandate, how we can improve its effectiveness. There are actually a lot of resources from civilian organisation which could be brought out within a moment notice. However the connectivity was not there as readily as in the military to military relationship. He once recounted that the UN Deputy Chair said that there should be more civilian organisations involved in military exercises to build the connection. Furthermore, some civilian organisations were very well organised. He believed that the connection could be quite effective and the military should not over stay after it had originally responded early in any particular crisis. This is because later on it would become

ineffective in administration, and a different organisation should be engaged to assume different roles.

Next was YBhg Lt Gen Dato' William R. Stevenson who wanted an elaboration on the role played by Singapore with regards to the regional Information Fusion Centre (IFC) on how Singapore see this centre develop, what are their challenges and whether it would become a hub for this region particularly with regards to communication and information sharing. Dr. Ng explained that the IFC started out from a need. Before the navy took charge coordinating national maritime security system, it was a big problem for Singapore. The most important asset was information and not necessarily the physical response to a crisis especially shipping crisis. If Singapore was do it alone, again it would be left behind. So the fusion centre was established using the plug and play concept having understood the sensitivity of each segment of their providers. Be it a country, civilian organisation or military agencies that had different levels of comfort in providing the data that they had. With different databases and systems, Singapore aimed to provide the terminals. Thus, the IFC takes all the information, fuse it together and comes up with one common picture for everybody to see. It is manned 24 hours a day and participating countries put their liaison entity in the fusion centre so that when a disaster strikes, the first crucial 24 or 48 hours the IFC would be able to help more if one is able to establish a response centre real time. At the moment 30 countries and 300 companies have supported the initiative and it was expected to grow.

Dr. Pommerin from Germany asking a question from the Honourable Dr Ng Eng Hen

Dr Pomerrin from Germany argued that providing assistance such as HADR was a secondary task for the military and hoped that it would not mislead the public that the military was mainly involved in humanitarian aids whereas its primary task was to fight wars. He relayed the German experience where it took the country 10 years to conclude for the Defence Minister that the core task of military was to fight wars and less of others duties.

Dr. Ng was of the view that it was a fundamental question indeed for each country to conclude as to whether it was a mandate for the military to be involved in HADR as its primary role, or even secondary or accessory role. There are legal and political ramifications because not all agree that the militaries are built to deal with HADR. Sending a military helicopter in a civilian operation had a very high price tag. It was not an easy answer. However, the militaries are the only de facto which are capable to response to the crisis. Even large country would require assistance for example, when the Szechuan earthquake occurred in China, Singapore went in. When hurricane Katrina affected US, our detachment of Chinook in Texas helped to bring out civilians from affected areas. Whether this translates to a de facto and de jure, legal basis for military to be involved in civilian operations was a very big step. And there was no single country that would be able to decide. In Europe, it has its historical bearings but neither is history fixed and current events may change in Europe as well.

Lt Gen (R) PK Singh asking a question from the Honourable Dr. Ng Eng Hen

Lt Gen (R) PK Singh from India commented that the military has the resources such as hospital facility. He opined that during any disaster, we should be able to tap such resources to keep national security intact. And there were issues of flight passes of other military aircrafts flying in another country's air space in sending

humanitarian aid and it should be dealt with sooner than later, that was, before disaster strike. Thus, he believed that a country should keep military resources as reserve for disasters for the state and he thought it was unrealistic to expect NGO's to prepare for it nationally. Meanwhile he sought an elaboration on whether water should be considered as an issue in keeping and ensuring peace and stability.

Dr. Ng opined that whether it was water security, food security or energy security within this region, ASEAN has the needed security cooperation through the ADMM Plus to talk about these issues but if we build confidence and trust military to military relations, it would facilitate the dialogue and that's why Singapore felt strongly that it should support Brunei in their 18 nations HADR exercise in 2014. We agreed on the issue that the population felt that it was natural for the military to be involved in any disaster relief. However, we cannot prefix the sensitivity where everybody is free to use the air space even for the MH370 crisis. Not every country was glad to share sensitive data needed. It should be remembered that civilian agencies were also very well organised, had good ideas, and had good resources and a sizeable force.

Datuk Seri Hj. Ismail bin Ahmad, Secretary General to the Ministry of Defence presenting mementos to the Honourable Dr. Ng Eng Hen, Minister of Defence, Singapore

He added and argued that the military alone cannot deal with any disaster especially during the initial 72 hours. For example, after the Tsunami hit the Indian Ocean, it took 2 years to rebuild the areas. Actually it was a good partnership for the military to take part at the beginning and later left it to the civilians to administer and that meant that we can accept, military role in disasters. He ended the discussion by highlighting a poser to everyone, on how do - governments make it more effective.

Chapter 3

Session 1
Transnational Organised Crime

MODERATOR

Tun Mohammed Haniff Omar
Deputy Chairman, Genting Berhad

SPEAKER

Honourable Dato' Seri Dr. Ahmad Zahid bin Hamidi,
Minister of Home Affairs, Malaysia

Honourable Mr. Scott Morrison,
Minister for Immigration and Border Protection, Australia

Mr. Mark Cox,
United Kingdom's Fiscal Crime Liaison Officer, United Kingdom

Session 1:
Transnational Organised Crime

The first speaker for Session1 was the Hon. Dato' Seri Dr. Ahmad Zahid Hamidi. He presented a brief on the Transnational Organized Crime (TOC) which was regarded as the most serious and threatening security issue of the 21st century. He gave a comprehensive explanation on the topic in which he felt that TOC can undermine democracy, disrupt free markets, drain national assets, and inhibit the development of stable societies. The detrimental effects of TOC threaten the dignity and humanity of mankind, especially when criminal activities such as human trafficking are involved and where human beings are traded as though they were products and services.

He stressed that with recognition from member states, the United Nations (UN) has adopted a strong stand against this threat with the successful adoption of the UN Convention against Transnational Organized Crime or UNTOC in 2003. The Convention is to fight TOC through close international cooperation. He explained that in 2004, the High Level Threat Panel of the United Nations listed TOC as one of

the 'Six Major Threats" to world security which also includes also poverty, infectious disease, environment degradation, inter-State War, terrorism and TOC.

In subsequent explanation, Hon. Dato' Seri Dr. Ahmad Zahid mentioned a survey made by Havocscope on 'Country Profile and Ranking' which revealed that there was a tremendous economic losses from the global black market as a result of TOC. He stated that it was estimated to reach as much as US\$575 billion in Asia as compared to US\$626 billion for the United States of America. Furthermore, it is more frightening to know that the World Black Market was estimated at US\$1.81 trillion. However, it is impossible to quantify the economic value of the black market with a high level of precision. The released estimates nevertheless served to draw attention on the seriousness of the problem and should be important enough to elicit public debate that are of great public policy concern.

He also mentioned that an expert on Terrorism, Transnational Crime and Corruption, one Louise I. Shelley, warned that 'Transnational Crime' is a defining issue of the 21st century for policymakers, just like the 'Cold War' was for the 20th century. Nevertheless, there is no doubt that the multifaceted problem of TOC poses a significant threat to national and international security. The dimension of which, if uncontrolled, could grow to compromise the future of humankind.

The Hon. Dato' Seri Dr. Ahmad Zahidi defined the UNTOC as a United Nation sponsored multilateral treaty against TOC which came into effect on 29 September 2003. He elaborated on the TOC activities in Asia which involved 6 regions such as North Asia, South Asia, West Asia, Central Asia, East Asia and South East Asia. It was noted with concern the serious threats posed in some TOC cases in Asia such as Illicit Drug, Human trafficking and Smuggling of Migrants, Money Laundering, Terrorism, Cybercrime, Product Counterfeiting/Intellectual Property Theft (IP), Maritime Piracy, Firearms Trafficking, Environmental Resource Trafficking, Bribery and Corruption of Officials.

He underscored that in recent years, Asia has experienced the same globalizing trends and rapid trade liberalization as the rest of the world. But while trade has created a climate of interdependence, the diversity of interests and the persistence of traditional antagonisms have not been contained by regional governance mechanisms. He issued an example, in West Asia, and to some extent North and Central Asia, where there is an absence of multi-lateral efforts to suppress transnational organized crime. He underlined that the result is increasing cross-border criminal opportunity but with no commensurate rise in regional governance capacity. He also expressed that there is also a great concern as the South Asian Association for Regional Cooperation (SAARC) has not yet proven to be an effective multi-lateral mechanism for cooperation against cross-border criminal activities.

He had highlighted a few examples in the ASEAN contexts such as the Meetings of ASEANAPOL (Chiefs of National Police) which involved of the heads of customs and immigrations. He also added that in 2009, the 7th AMMTC concluded 'a revised ASEAN-China MoU on Cooperation in the Field of Non-Traditional Security Issues'. In addition, Malaysia signed the United Nations Convention against Transnational Organized Crime (UNTOC) on 26 September 2002 and ratified the Convention on 24 September 2004.   Malaysia also has acceded to the Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children under the UNTOC on 26 February 2009.

The Honourable Dato' Seri Dr. Ahmad Zahid Hamidi Minister of Home Affairs Malaysia as the first speaker of Session 1

He summarized that Malaysia is currently a State Party to 9 out of 13 International Conventions and Protocols relating to terrorism. Malaysia is a signatory to all three International Drug Control Conventions. He continued that Malaysia has in place, several tough legislations to curb serious offences in transnational crime which include: Prevention of Crime Act (Amendment & Extension - POCA) 2013, Security Offence Special Measure Act (SOSMA) 2012, Anti-Trafficking in Persons and Anti-Smuggling of Migrants Act (ATIPSOM) 2007, Dangerous Drug Act (DDA) 1952, Anti Money Laundering Act & Anti Terrorism Financing (AMLATFA) 2001, Communications and Multimedia Act (CMA) 1998. The latest initiatives undertaken by the Ministry of Home Affairs include setting up STING – Special Tactical Intelligence Narcotics Group and STAFOC – Special Task Force Organized Crime. Lastly, he concluded that Malaysia is looking into transnational organized justice by introducing and amending POCA.

The second speaker for the Session1 was the Hon. Mr. Scott John Morrison, Minister for Immigration and Border Protection. He mainly focused his speech on the means of choking transnational crime through stronger regional borders in which he challenged other Asian governments to beef up their border protection efforts to combat human trafficking, transnational crime and terrorism.

The Hon. Mr. Morrison began by thanking Malaysia for her generosity on this occasion and he also thanked the Hon. Dato' Seri Hishammuddin bin Tun Hussein, Minister of Defence, Malaysia for his kind invitation to take part in this important regional forum. He expressed his condolences over the recent tragic events of MH370. He said that Australia was pleased to support Malaysia during its difficult time.

The Hon. Mr. Morrison explained that state borders are a national asset, possessing both economic and strategic values which also defines as a space within which one can apply the rule of law - to conduct commerce, to allow the operation of markets, to create the space for civil society, to enable expression of culture and to provide for the freedom and liberties of the citizens as established by respective states constitution. He also added that in a global and regional environment, the common and everyday threat to the people is not military, but crime instead, where the actors that present those threats are not states but organized criminal and terrorist networks that are impervious to borders. Hence, the case for regional cooperation is very obvious, he argued critically.

Stronger regional borders, both internally and externally are needed to protect the borders in such a threat environment. He added that the concept of a regional border in line with the above, recognizes the fact that domestic borders

The Honourable Mr. Scott Morrison, Minister for Immigration and Border Protection, Australia as the second speaker of Session 1

are a continuum not limited to just the physical space at air and sea ports or land borders. He underlined and recognized that threats to domestic security are well beyond any physical border. Relying on countering a threat only when it presents at physical border is high risk, costly and, too often, ineffective.

He continued to explain that criminals now are relying on such approach to make their job much easier - exploiting not only the domestic vulnerabilities that exist in the management of our own individual borders but the lack of connectivity and integration across borders within the region. Criminals are not parochial as they will always attack where the rewards and vulnerabilities are greatest.

The Hon. Mr. Morrison foresaw that the continued rise and prosperity of Southeast Asia and the Pacific will only further increase the regional attractiveness making it a lucrative target for transnational criminals. The market price for cocaine in Sydney is thirty times more that what it would cost in Los Angeles. The mass advancement in transport and communication technology that have revolutionised legitimate trade and travelling, in equal measure at least have aided illegitimate trade and travel. Whereby the supply chains of criminals and terrorists are also going global and are increasingly sophisticated.

He added further that the buyers and sellers in illegitimate trade markets can now find each other on dark nets. This allows micro gangs and sole operators to get in on the trade and further enabling established organized criminal networks to become multinationals. The Economist has reported that the UN office on Drugs and Crime (UNODC) in Myanmar, where he visited in February 2014, had estimated that poppy cultivation rose by 13 per cent last year to 57800 hectares and that opium production was estimated at 870 tonnes, the highest since UNODC assessments began. UNDOC also noted that more than 200,000 households in the Shan state, accounting for 90 per cent of the crop produced have resisted attempts by various agencies to switch to other crops. He continued by explaining that the area is also home to the largest number of meth labs in the region. The head of UNODC notes that the local mafias are "the best logistics experts in the world". It will thus place them well to be competent in taking advantage of ASEAN regional plans to lower customs barriers and build more roads between them.

The Hon. Mr. Morrison however did not see this as against trade liberalisation or improvements to transport and communication infrastructure in the region. Instead, it simply serves as a warning that due to increased connectivity, states must also acknowledge and mitigate the risk that will inevitably brings insecurity, whereby providing opportunities to criminals, and worse still criminal terrorists. The roads, the satellites and the fibre optics or infrastructures will not be able to discriminate between legitimate and illegitimate users, which is dependent the government concerned to evaluate.

He firmly stated that if state borders are managed effectively with reliable and accessible intelligence, if there exists jurisdictions, integration, if police are corruption free. If information support are real time reliable are information, if patrol by reliable resourced assets, can literally become the line of security protection that can be collectively drawn upon in which criminality and criminals can be disrupted and subsequently annihilate criminals trades. He suggested that in order for a government to protect its prosperity, it must invest in lowering its vulnerabilities. One must collectively mitigate the border risk through practical bilateral and multilateral action, within a shared and continually upgraded understanding of the risks we face, well beyond the current levels.

He strongly emphasised that Australia values the cooperation of their regional partners. Since being elected just last September 2013, the Abbott Coalition Government in Australia has sought to build upon these connections. Promoting a regional borders agenda has been one of the Hon. Mr. Morrison priorities since assuming responsibility as Minister for Immigration and Border Protection in the Abbott Government. It is a priority that has brought him to Malaysia on three occasions in 6 months. His task has involved securing Australia's own borders and ending the flow of illegal people smuggling that had resulted in over 50,000 people making their way to Australia. He said that more than around 1,200 people perished at sea and added that Australia could hardly pretend to take a regional leadership role on border protection when its own borders were so open to abuse. However, it has now been 116 days or almost close to four months, since any illegal people smuggling activity to Australia has been successfully repelled. He explained that the result had been achieved through an integrated regime of measures, including close cooperation with regional partners such as Malaysia, but most significantly through our strong maritime border enforcement policy of denying the entry of illegal immigrants vessels to Australia and removing them outside of our contiguous zone.

The Hon. Mr. Morrison also said that the authorities can't stop illegal movements by sea or air until they're have crossed the borders prepared to stop people arriving at their respective borders. This has been the policy of the Abbott Government, and it has had a dramatic effect therefore a strong physical deterrent at the border, whether on land or at sea, is a mandatory prerequisite for effective border protection.

He said that as a government they have sought to bring this same single minded focus on deterrence to their regional engagement to enhance cooperation on people smuggling, and now more broadly on transnational crime. Relevant stakeholders are putting considerable resources into increasing the tempo and scale of regional disruption and deterrence operations to counter people

smuggling with their partners to frustrate these ventures in preventing them from getting out to sea en route to Australia. This support has involved practical and technical assistance to partner country run operations.

Adding on, he also mentioned that between 10 and 13 December 2013, the Malaysian Maritime Enforcement Agency (MMEA) had conducted Operation Kangaroo with the support from the ACBPS – a public awareness and deterrence campaign focusing on illegal migrants smuggling from key departure points from Malaysia across the Straits of Malacca. Representatives from local fishing communities participated in the operation and provided useful communication links into remote village communities around where most of the illegal maritime activities are believed to have occurred and their involvement certainly helped to secure the community support.

He recounted that the activity reflected positively during his visit to Malaysia in October 2013 last year, when the Hon. Dato' Seri Dr Zahid commendably supported the targeted operations to further disrupt and prevent the movement of people into Malaysia by air, land and sea. The Hon. Mr. Morrison again mentioned his delight by the breadth of the associated activities and to the degree which the Malaysian stakeholders demonstrated their willingness to work in partnership with the Australian border protection agencies. Australia he described has also agreed to directly support a longer term capability by providing long range patrol vessels not only to the MMEA here in Malaysia, but also to the Sri Lankan Navy.

Cooperation on tighter border control arrangements in regional ports of entry and more restrictive visa conditions in both Malaysia and Indonesia have also deterred the arrival of potential illegal immigrants to Australia. A regional approach focused single mindedly on deterrence is equally important not just to counter people smuggling, but to counter terrorism and transnational crime. The success of the Australian deterrence approach in combating people smuggling both domestically and within the region has created the impetus for others in seeking to extend this approach to the broader border challenges confronting the region, and in Malaysia, both involving government's had found a kindred spirit who is equal on taking a regional leadership role, under Hon. Dato' Seri Dr Zahid's stewardship.

The Hon. Mr. Morrison observed that Australia's engagement throughout the region over the past seven months had received a similar level of enthusiasm, in countries such as Cambodia, Myanmar and Vietnam, as well as Singapore, Indonesia and Thailand. He noted that the governments' challenge is no longer to interest and commitment, as demonstrated by the success of this forum and many others, such as the Bali Process or APEC. The challenge he added is to convert such good will into tangible, sustainable and ongoing projects that will build regional collective capability, remembering that our regional borders are only as strong as our weakest link. The fundamental to such border strengthening processes

is having reliable data and systems to test the integrity of identity. This is equally important whether it is identifying a person passing through a border control point or embarking on a plane or a trader seeking to export or import goods.

He added that he was pleased to visit the Cambodian Immigration Department's headquarters in Phnom Penh, where he had the opportunity to inspect the new automated computer based movement alert list database that has been established as a result of the Australian Government Aid project. He noted that this simple but highly effective technology, supported by officer training, now provides Cambodian immigration officials with access to a virtual real time checklist of persons on a centrally administered movement alert list - a key building block for any serious border protection regime. In addition to building the capability of individual states the agenda is about improving the regional interoperability and integration of our systems, information and intelligence. There is already something to show on this front. Australia and Malaysia's own practical cooperative efforts provided a good guide and have ongoing information sharing arrangements and will continue to explore opportunities to enhance this area of cooperation.

He expressed that the nations involved continue to pursue cooperation on systems enhancements and sharing of technology. The Regional Movement Alert System (RMAS) serves as one significant recent example. RMAS is an APEC initiative that enables participating countries to detect in real time lost, stolen and otherwise invalid travel documents and to prevent them from being used illegally. He told that the Border Security Policy experts from his had department travelled to Malaysia a week before the forum to pursue discussions on RMAS with the Ministry of Home Affairs counterparts in Malaysia. They also had the opportunity to gather technical information about Malaysia's existing border management systems environment to aid RMAS implementation planning. In a global environment, where the volume of both regular and irregular travel is increasing every year, the Hon. Mr. Morrison firmly said that they need to harness technological solutions to balance risk management with passenger facilitation – and assist their regional partners to benefit from these advances. Through the Working Group he added, they have also conducted joint workshops on issues such as airline carrier infringement regimes and regulatory arrangements at the border.

He also conveyed that one of the key achievements of their engagement was due to the strong been the strong and continuing programme of joint training in technical skills and border management such as document examination, facial image comparison, intelligence analysis and visa integrity. He added that his department is also working with the Malaysian Immigration Academy to deliver the foundation, both intermediate and advanced training in intelligence analysis to officers from the Malaysian Immigration Department. The courses provide participants with theories of intelligence analysis and also practical instruction as

analytical tools to collect and manipulate data in discovering trends and anomalies that may assist in the detection of malpractice at the border.

He added that to complement the RMAS initiative the two sides are also now in discussions about how to roll out an advanced passenger processing system (APP) with Malaysia that will significantly strengthen Malaysia's border management systems, which is in the regions interests as well as in Malaysia's and Australia's interests. Joint operational exercise in border management is another key area of cooperation that has demonstrated the collaboration success of our two agencies. In 2013, the Hon. Mr. Morrison said that his department had worked with the Immigration Department of Malaysia to conduct a training and joint interdiction exercise at Kuala Lumpur International Airport (KLIA) Main Building Terminal and the KLIA Low Cost Carrier Terminal (LCCT). Some 100 Malaysian officers participated in the training and there were a number of successful interdictions of intended irregular movement to Australia. In 2014, the two sides also conducted a profiling training with selected middle managers from both KLIA and the KLIA LCCT, including the nominated Head of KLIA2 and others who will play a key role in managing KLIA2 when it opens this year 2014.

The Hon. Mr. Morrison noted that in his first meeting here in Putrajaya in 2013, both he and the Hon. Dato Seri Dr. Zahid agreed to re-establish a Malaysia-Australia Working Group on People Smuggling and Trafficking in Person as the Joint Working Group on Transnational Crime, and they are working to conclude a new MOU on transnational crime. He expects this forum and the corresponding MOU to provide the direction for further cooperative activities. However, while he was pleased with

the progress, the level of real regional engagement is still well below of what is necessary to counter the ever increasing threats mentioned above. The Australia-Malaysia relationship is well advanced, like that with Indonesia on issues like counter terrorism.

The Hon. Mr. Morrison said that the level of engagement through dialogue has been an important starting point. However, the dialogue must now convert into much greater action - as demonstrated through tangible improvements in all aspects of our border control processes and regimes. There must be a measurable increase in collective capability and a preparedness to assess their progress. Australia is keen to engage in such a process for the very simple reason that, like all other countries in their region, it is the nation's utmost interest.

Finally he summarised that like all other countries in this region, Australian borders are stronger when other regions' borders are equally stronger. It is important to remember that a stronger regional border is commensurate with the security and safety of their domestic populations, as well as prosperity, for they provide the stability for trade and commerce that is the prerequisite for investor confidence. Stronger, well managed borders facilitate, rather than impede, legitimate trades and travels. Facilitation and stronger borders are not mutually exclusive, they are mutually reinforcing. The incentives for creating stronger regional borders are therefore very clear and compelling. Those who ignore this collective function will be open to peril. This forum provides another excellent opportunity to set priorities for action and the Hon. Mr. Morrison ended his speech by looking forward to the coming meet and its progress assessment.

The third speaker for Session 1 was Mr. Mark Cox, a Liaison Officer from His Majesty Revenue and Custom Agency United Kingdom (HMRC). He had mainly focused on transnational organized crime that occurs in the United Kingdom and the other parts of the world. He also explained the impacts of transnational organized crime on the United Kingdom and her allies. He elaborated on how UK responded to serious transnational organize crimes and explained how it's overseas- network operated.

Mr. Cox began by explaining that United Kingdom (UK) law enforcement and its military have been working well together for many years especially throughout the 1990's through to 2000. In the early 1990's, the UK's drug cartels and terrorist threats were overcome through a joint collaboration with the expertise of the British Army. He added that HMRC is one of two national judicial police forces in the UK. It is also one of the three law enforcement organizations in the UK operating an over season network together with National Crime Agency (NCA) and Metropolitan Police.

He also briefed the participants on some facts about the UK police. Apparently, the UK does not have a national police force unlike in Malaysia. The police forces there are regionally based such as the Metropolitan Police and the famous Scotland

Yard with the strength of about 30,000 personnel. There are 43 police forces in the UK and they are headed by a Chief Constable who reports to the Crime Commissioner whom then reports to the Home Secretary. The law enforcement for the cities within the UK is the National Crime Agency (NCA) and Her Royal Majesty Revenue and Custom Agency (HMRC). Mr. Cox added that the NCA was created on October 2013 and it consisted of 4,000 staffs with very high level of operational and intelligence capabilities.

Mr. Mark Cox, HM Revenue and Customs, UK Fiscal Crime Liaison Office, Kuala Lumpur as the third speaker for Session 1

Meanwhile he added that the NCA leads the UK effort against organized crime and bears the responsibility in domestic and international level yet it has no authority for fiscal crime investigation and prosecution. Thus, he clarified the fiscal crime authorization with HMRC is the only fiscal and tax authority in combating any transnational organized crime which has any connection with fiscal abuse. Consisting of 65,000 staff, it is responsible in ministering all taxes in the UK but also has function to policing the tax system, investigating and prosecuting cases. The task of policing the tax system is appointed to 3,500 officers. A proportion of 2,500 officers are given the task of policing while the other 1,000 officers are apportioned for intelligence purposes.

Mr. Cox pointed out that The UK government has published an excellent paper recently called 'The Serious Organized Crime Strategy' on October 2013 on the UK response on organized crime, domestic and international level. He told the participants that in the beginning HMRC operates with 35 officers overseas in 27 different countries in its international networks. The focus is mainly on Europe because that is where the major threats come from. NCA however has a larger force up to 100 officers overseas, particularly in South West Asia such as India, Pakistan

and Afghanistan which involve in human trafficking and South America for drug trafficking. According to him, both agencies seek to minimize the threats on the UK hence they post the liaison officers in the country that potentially pose threats to the UK. He gave an example: China, Vietnam and India pose human trafficking threats to the UK. Hence, HMRC has 2 officers in Beijing, 1 in Hong Kong, 1 in Kuala Lumpur and probably 1 in Singapore if the Singapore Government permits it as they expect to post an officer there on May 2014. On the other hand, NCA has an officer in Beijing, 1 in Bangkok, and 1 in Vietnam. He reaffirmed that both agencies work together in minimizing the threats of transnational organized crime in the UK.

He added that HMRC has put great focus on transnational organized crime in Asian region. As for Malaysia, HMRC focuses on the cigarette smuggling where else in Hong Kong, HMRC focuses on cigarette smuggling and criminal finance. And in Singapore, the attention is on criminal finance, money laundering and cigarette smuggling. Meanwhile, the NCA focuses on narcotics, human trafficking and child exportation.

In his final remarks, Mr. Mark Cox emphasized on HMRC cooperation with other international agencies. He said that the level of success of every liaison officer based internationally is on the good cooperation with the host country. Along with the signed treaties and collaboration with the ministry, the UK and Malaysia have come out with bilateral MOU on transnational organized crime which allows the UK to share information on every single transnational organized crime impact in Malaysia and the UK. He believed that without cooperation and collaboration among each country and agencies, this crusade against transnational organized crimes cannot go anywhere. ◼

Civilian and Uniformed participants of Session 1

The Honourable Mr. Scott Morrison, Minister for Immigration and Border Protection, Australia receiving mementos from the Honourable Datuk Abdul Rahim Bakri Deputy Defence Minister Malaysia

Mr. Mark Cox, United Kingdom's Fiscal Crime Liaison Officer, United Kingdom receiving mementos from the Honourable Datuk Abdul Rahim Bakri Deputy Defence Minister Malaysia

Chapter 4

Session 2
Money Laundering and Terrorism Financing

MODERATOR

Gen (R) Tan Sri Dato' Seri Zahidi Hj Zainuddin
Chairman of the Board of Affin Holding Berhad

SPEAKERS

Mr. Abu Hassan Alshari bin Yahaya
AG, Central Bank of Malaysia (BNM)

Prof. Emeritus Dr. Reiner Pommerin
Professor at the University of Dresden, Germany

Mr. James Hayes
Head of Terrorism Finance, Home Office, UK

Session 2:
Money Laundering and Terrorism Financing

Session 2 was moderated by Gen (R) Tan Sri Dato' Seri Zahidi, Chairman of the Board of Affin Holding Berhad

The first speaker, Mr Abu Hassan, Assistant Governor (AG) of the Central Bank Of Malaysia began by noting on the size of the ASEAN market. It is estimated that there are about 600 million people or consumers available to be tapped in the ASEAN region. He said from the smallest state economy that has a Gross Domestic Product (GDP) of US$ 9 Billion to US$ 878 billion the regional growth potential is both tremendous and robust. But there is some disparity in per capita GDP in each of the States ranging from the lowest US$ 861 to that of US$ 52,069.

Mr. Abu Hassan however recounted that amount of money that goes to criminals and terrorist are minimal. Positively looking at the situation he said that technology has made it possible for easier financial growth and development. It also had made finance more reliable in the region. As such technology provides the linkages necessary between states to promote greater economic and financial integration. That being the case it was argued that there is much sense for ASEAN to come together and optimise such new technology as opportunity for better financial integration.

On the other hand, he identified that in the aspect of, "Money laundering and Terrorism financing", there are three aspects or challenges that faced Malaysia as it is situated within the geographical location that has very porous borders and sadly is within the proximity of drugs sourcing areas that are located just across the borders. The second significant reason is the economic factor that includes high growth; many high cash based transactions, the existence of alternative and unregulated financial intermediaries and the increased labour mobility across the region. The third reason that influence the risks factors of money laundering and terrorism financing are the legal environment and enforcement aspect of the regional landscape. Today what remains true across all borders is that there will always be differences in legal framework between states. Such differences usually culminate in difficulty to coordinate or cooperate between state agencies on certain issues on enforcement implementation.

Therefore, money laundering and terrorism financing is a global issue where the International Monetary Fund (IMF) estimates that between 2 to 5 percent of the world's GDP are actually proceeds of crime. In the ASEAN context it is estimated that no less than US$ 46 billion to US$ 115 billion goes to crime. The estimates by ASEAN statistics also indicates that the revenues generated in selected illicit markets in East Asia and the Pacific come to a combined annual income of nearly US$ 90 billion. The most worrying development thus far is that these threats above have become increasingly pervasive, diversified and organised, and transcend national borders.

The most worrying being the new mobility of people and their cash based transactions. He identified that when the borders are porous there are many ways that the criminals and terrorist get through to exercise their trade. He identified that each of these categories of people above are either profit oriented or politically motivated.

He also believed that significant labour mobility helped make the tracing of the money and transactions difficult. It may or may not be legitimate and the question of proving will need good evidence. Mr. Abu Hassan also mentioned, there is a mechanism that the Central Bank of Malaysia has put in place to monitor transactions out of the country that is above RM 50,000. He stated that of all the transaction by both criminal and terrorists - the ones that uses cash is the most difficult to ascertain as illegitimate or criminally sourced.

He said that ss far as Malaysia is concerned, its international safeguards had improved gradually through the years to help avert it from further losses either from international or locally motivated crimes. From 1990 to 2008, Malaysia had improved its international standard for Anti Money Laundering (AML) and its Counter Terrorist Financing (CFT) revised by the Financial Action Task Force or FATF. The FATF is an independent inter-governmental body that develops and promotes policies to protect the global financial system against money laundering and terrorist financing. In 2003 alone there were 49 recommendations by the FATF that were endorsed by more than 180 countries.

He added that in February 2012, the FATF had revised their 40 recommendations to address the new and emerging threats, to clarify and strengthen the existing obligations. The most important being the new recommendation on targeting financial sanctions related to proliferation. In February 2013 to strengthen the weaknesses, the FATF again revised the methodology for assessing technical compliance with FATF recommendations and effective AML and CFT systems to which Malaysia tries to adhere to vehemently.

In wrestling the new threats, Malaysia has coordinated and integrated its Anti Money Laundering and Counter Financing of Terrorism Regime that is required in fighting crime. The development of national policy that ensure proper implementation of measures to counter money laundering and financing of terrorism has been based on internationally accepted standards of the FATF.

Mr. Abu Hassan elaborated that if the above policy is not implemented well, there is an undesired impact of a weak Anti Money Laundering and Counter Financing of Terrorism Regime. This includes the weakening of national security and development with the proliferation of criminal activities, the existence of 'underground businesses' competing with legitimate businesses. This in turn will weaken investors and business confidence and lower real sectors competitiveness affecting the Malaysia's long term economic development.

He added that any weakening of the implementation would also increase integrity risks and costs for businesses and financial transactions. It would be tantamount to lowering the integrity and reputation of any country's financial system. There is the risk for a country to be black listed as a jurisdiction or an area with high risks of Money Laundering and Financing Terrorism. In the end this will affect the business and operation costs of various economic sectors that will burden the government concerned and its long term sosio-economic development.

He believes that in combating Money Laundering and Financial Terrorism threats, this requires a concerted effort and suggests that the institutional framework of ASEAN should be put to good use in combating transnational crime and counter terrorism. It has been reverberated in ASEAN Ministerial Meeting on Transnational Crime (AMMTC) and the Senior Officials Meeting on Transnational Crime (SOMTC) for example, Malaysia is the Lead Shepherd for Money Laundering and Indonesia is the Lead Shepherd for terrorism. Also there is an ASEAN Convention on Counter Terrorism that has been ratified in 2013 by all ten member states and the Asia Pacific Group on Money Laundering is also a sample for the continuous support and assistance from developed countries and international bodies to smaller states that face such vices.

Mr. Abu Hassan noted that the law and the abidance to the rule of law is the source by which the matter at hand can be controlled and be put to a stop. He said that there is always room for collaboration in the matter such as sharing of information on dubious bank account activities of suspected or known criminal and terror linked personalities and organisation. He amplified that it was a global issue and not limited to any nation. He believed that the main motivation for crime is plainly monetary gains. He added that a good way to discourage its growth and spread is by reducing as much as possible to what he described as the profit of crime. He highlighted that to enforce the way ahead is to look at distinctly as possible the process of activities and eliminate their model for profit and as such eliminate the benefit of crime. He concluded that in that light, he predicted that efforts in countering financing of terrorism will still remain a challenge in the region.

In conclusion, Mr. Abu Hassan emphasised that Money Laundering and Terrorism Financing are global in nature. As such close coordination and cooperation among like minded countries is paramount. He suggested that there is a need for effective coordination and implementation at regional platforms. Secondly, there needs to be compliance from states that want to improve their status of development to comply with international standards as it helps the internal systems readjust and cleanse itself of impurities of criminality. The challenge for Malaysia and the Central Bank remains to be that of demonstrating the increased effectiveness of the Anti Money Laundering and Counter Financing of Terror regime. It may be an uphill task but one that Malaysia is determined to win.

The second speaker for Session 2 was Dr Reiner Pommerin, Professor at the University of Dresden, Germany. He began with a pun on the advice as to where one is supposed to launder money legally and efficiently. The story of a money launderer Rob Holsen, who began the business of money laundering at a small windowless room under the St. Francis Hotel, San Francisco's Union Square where he washes money three times a week, every penny, nickel, dime and quart. He had noticed in 1938 that coins, soiled women's white gloves, as such, all coins the hotel acquires are cleaned up until today.

However jokes aside, Dr. Pommerin restated that 'Money Laundering' in the real contexts really meant that it was money that was dirty and not clean due its illegal nature and source of origin. It is money that is obtained from certain illegal and criminal activity like drug trafficking, prostitution, insider trading, or illegal gambling. When such money is laundered, vices like corruption follows and governance standards in states are undermined. In a time of free and open global financial markets, making money that comes from source A look like it came from source B seem easier.

He added that in most countries of the world, money laundering is a criminal offence only if gets detected so ensuring punishment is not easy as the criminals involved turned out to be quite innovative in their attempts to disguise the origins of money obtained through illegal sources. Such cunning crime had caused amendments of the Anti-Money Laundering act of the Federal Republic of Germany the EU's Anti-Money laundering directive this year.

He said that everyone will certainly agree that strong and efficient laws as well as special government institutions are absolutely necessary to fight money laundering and financing of terrorism successfully. Nevertheless, he personally thought that the significance of money laundering for financing terrorism should not be overestimated. There is no need to launder money if someone wants to blow himself up in front of a police station, a restaurant, or a discotheque. Terrorists, if they are not millionaires like Osama bin Laden, do often have access to legal money, and are supported by sympathizers or family members for their cause. The preferred weapon for terrorist attacks these days are bombs. At least since the wars related to terror in Afghanistan, almost everyone knows of the often deadly effects of Improvised Explosive Devices (IEDS).

Dr. Pommerin said that such home-made bombs may have changed the dynamics of modern war. He added that for less than US$30 in raw materials, a roadside bomb and any other IEDs can wreak disproportionable damage and disruption. They can be strategic, not just tactical, weapons. These new IEDs has been successful in sowing fear, lowering troop's morale, limiting freedom of movement and undermining public support for combat operations. IEDs delivered by people sacrificing themselves for their cause have been used by terrorist in many places around the world with terrible and devastating results. On the Global Terrorism Index 2012, Germany was rated 61st and Malaysia on 89th place respectively from the total of 158 countries. Obviously both countries take the fight against money laundering and terrorism financing seriously and with increasing success.

He elaborated that after the implementation of the Money Laundering Act in Germany, the fight against terrorist financing became easier. The law he said played an important role in suppressing crime. The annual reports of the German Financial Intelligence Unit (FIU) showed a rise in the number of suspicious transaction reports to the government which grew from 8,241 reports in 2005 to 14,361 reports in 2012. During the same period at least 21.5 million Euros were seized. The percentage share of those suspicious transaction reports of suspected terrorism financing also rose modestly from 1.3 percent to 1.7 percent in 2012. The FIU report of 2012 stated that although there was an increase in suspicious transaction reports with suspected links to politically motivated crimes, only 6.5 percent of the cases ultimately was worthy for state security follow up and was forwarded to the State Security Division.

He explained that there can be no doubt about the negative effect of money laundering towards a nation's economy. In the Federal Republic of Germany, a country which is known for its strong position in international trade and dependence on exports had made it an attractive place for money laundering. The state agencies concerned estimated that between €25 billion and €30 billion a year

is laundered. The main money laundering typologies are still tax evasion, capital flight, trading services and a new field seems to become the Real Estate Sector.

Meanwhile Dr Pomerrin added that on a global scale one nation alone cannot fight money laundering successfully. Therefore a more united approach is needed to secure success. The United Nations Office on Drugs and Crime for example runs a Law Enforcement, Organized Crime and Anti-Money Laundering Unit. The global program tries to implement measures against money laundering that permeate from the member states. Numerous international and regional organizations are also involved in fighting money laundering and the financing of terrorism. The Financial Action Task Force (FATF), the Asia/Pacific Group on Money Laundering (APG), the Caribbean Financial Action Task Force (CFATF), the Council of Europe-MONEYVAL, the Asian Development Bank, Interpol, the Financial Action Task Force Group of South America (GAFISUD) are also part of the movement against such crimes, to name a few.

He explained that within the UN, there exists beside the United Nations Office on Drugs and Crimes the Treaty and Legal Assistance Branch, the Terrorism Prevention Branch, the Law Enforcement, the Organized Crime and Anti-Money laundering Unit, the Justice and Integrity Unit and the Anti-Human Trafficking and Migrant Smuggling Unit. He sadly expressed that bureaucracy however takes time in taking suggestions or making a decision. He mentioned that there are no less than 8 units working currently in the field within the UN. He believed that in order for success to be achieved in a globalized world, everyone requires a more centralized institution with more abilities and power. This may require most nations to transfer a bit of their national sovereignty to an international institution which is always a herculean task to achieve.

He argued that it does not mean that he does not appreciate and honour the example of the excellent work of the Asia Pacific Group on Money Laundering. Their "Typology Report on Trade based Money Laundering" in July 2012 showed how international trade has become an increasingly attractive avenue to illicit funds through financial transactions associated with the trade in goods and services. One does understand after having read the report why foreign exchange markets and long supply chains make international trade so vulnerable. The report also clearly points at deficiencies. Significant limitations are for example the lack of investigators and the absence of systems capable of cross-referencing trade and trade finance data. No wonder that there are few cases of Trade Based Money Laundering have been reported in trade base money laundering among the jurisdictions, which seems to be a deficit also in Europe.

Dr. Pommerin explained further that just two months earlier, the government of Nigeria established a Derma Log Identification System, which is a biometric system for the public and consumers. All bank customers in Nigeria will need

fingerprint identification in the future. The system seeks to protect Bank customers against falsified identities or identity theft. The Nigerian banking system will be safer and also attract people in the country who are illiterate. Thus pin numbers or passwords will not be necessary anymore. But he was cautious as to whether the biometric system could stop money laundering in Nigeria altogether.

He also compared old fashioned money laundering to the new techniques used today. Before money was laundered through the use of restaurants or gambling casinos, the time for such techniques have now become redundant. He said that in the 50 percent of cases in Germany in 2013, it is now - the so called financial agent who kept German tax offices and criminal courts busy.

He explained that in the new scenario, a normal German citizen is approached by someone abroad to offer his bank account as a transit for transaction. After such a transaction is made, there is usually a second transaction that would follow and such sequencing would make the money more difficult to trace. The whole deal is made for a small commission; the particular citizen that is willing to participate would become the financial agent. However he noted that most of those who acted as financial agents will be identified by the German criminal task force and punished by their courts. Even though this is the case, it is still easy to find unscrupulous people who see only the money offered and not the legal risks included.

Nevertheless he considered that a criminal may still launder money the old fashioned way by running a restaurant that hardly attracts costumers but instead declare a high profit each month in order to pay tax for it. This is one way to make the money legal once more. Dr. Pommerin added that, 90 percent of the notifications in Germany came by the way, due their strict European and national banking laws and FATF guidelines, from the Banks. He admitted that in such a situation the majority of the financial institutions in the world are required to identify and report transactions of a suspicious matter, and most of them do this efficiently. A close and smooth cooperation of governmental units and banks in the process of identifying attempts of money-laundering is highly valuable. Banks are crucial in fighting money laundering because only they know if someone has more than one bank account at any one time and at different banks. Only banks can recognize if someone is depositing large sums of cash in one or more accounts. Only banks can sound the alarm if someone invests a large sum of money and does accept surprisingly poor conditions for his investment. And banks may track and realise the transactions earlier than anyone else, especially if someone withdraws a large sum.

Dr. Pommerin said that the attractiveness of money laundering in Europe would usually depend on the countries involved, depending on whether there is high or low opportunity to proceed with the criminal act, especially when the criminal is

buying or selling metals like gold and silver, technology, goods or even gas and electricity which cross national borders. He added that the criminals often try to cheat the national tax systems. More attention by the mass media does attract attention to tax evasions or capital flights administered by a celebrity.

He said that previously the Swiss Bank accounts used to be good tax havens. But recently this haven is no longer preferred because employees of Swiss Banks have wizen up by selling CD's with the names of German Swiss Bank account owners to German tax offices. That is German account owners with bank accounts that were filled with untaxed money. That in the end promoted a culture of self-registration by many Germans bank account owners, also in part due to Germany tax laws that offers lesser punishment if one self-registers. He added that a good recent example of self-registration was shown by the president of a famous German football club Bayern Munchen.

Switzerland too he added now has regulations that guarantee their banks cooperation on cases that involve suspicion of money laundering or financing terrorism. He mentioned an example involving the former Ukrainian President Janukowitsch that was kicked out of his office due to a parliamentary vote. Switzerland had frozen his and his family's bank accounts on such suspicion. These

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accounts contained millions of dollars considering the salary of a former president of Ukraine cannot be explained. He noted that when totalitarian regimes collapse and dictators go into exile the world is quite often surprised to hear about the great amounts of money these people have transferred abroad. Most of these totalitarians are indeed criminals having stolen money during their time in office from the people of their countries.

Dr. Pommerin also added that a former minister of finance of a German State hid nearly a million Euros in a company called "Long down Properties Corporation" which was registered first in the Bahamas and later in Panama. The minister's money he said had come from inheritance by his parents. He bemoaned that there are still some islands and countries not really cooperating the way the FATF would like them to do. This is why the FATF updates regularly a blacklist which contains the countries that have not made sufficient progress in installing counter-measures to protect the international financial system from the on-going and substantial money laundering and terrorist financing. Some countries need support and help because they do not have the infrastructure or resources to cope with these sophisticated financial criminals. If you check the FATF Statement of 14th February 2014, you will find that no country of this region is on this list, except the Peoples Republic of Korea. He added that a unique step to fight money-laundering has been taken by Italy in February 2014. From each amount of money that comes in by bank transfer from abroad, the bank will keep 20 percent of the amount till the safe origin of the money is cleared and verified.

Dr. Pommerin concluded with a remark about a field of special concern for the future fight against money-laundering regarding the diamond trade. He already mentioned earlier the Financial Action Task Force, which has 34 member states and the EU and the Gulf Cooperation Council. The FATF published in January 2014, a report on "Money laundering and Terrorist Financing through Trade in Diamonds". The report identifies the money laundering and terrorist financing vulnerabilities and risks of the so called "Diamond pipeline". The Diamond pipeline covers all sectors in the diamond trade: production, rough diamond sale, and cutting and polishing, jewellery manufacturing and jewellery retailers. The trade is multinational and it can reach tens of millions to billions of US dollars. Diamonds are difficult to trace and can provide anonymity in transactions.

The report describes that De Beers is no longer holding the diamonds monopoly, a number of smaller players are now in business and the diamond pipeline is undergoing changes in structure and processes. He pointed out that cutting of diamonds for example has shifted for lower quality stones from the United States or Belgium to India and China. Law enforcement and financial intelligence units usually only have a limited level of awareness of the potential of money laundering and terrorists financing schemes through diamond trade. Although, we all know from the song of Marylyn Monroe "Diamonds are a girl's best friend", in the future we have to prevent that diamonds do not become money-launderers best friends!

The third and final speaker for session 2 was Mr. James Hayes, Head of Terrorism Finance, Home Office, United Kingdom (UK). He began his session by highlighting the reasons why the government should care about terrorist financing. There were two main reasons identified. Firstly, financial pressure by governments can seriously weakens terrorist groups. Terrorist attacks cost relatively little to stage – but their support networks and structures are expensive to maintain. Secondly, the terrorists need money to buy explosives, weapons and ammunition for terrorist attacks. But they also need it to finance travel, pay for false documents and maintain safe houses – and to fund bribery, training, radicalization and recruitment. Without money, terrorists become constrained. Financial pressure makes them vulnerable. They become easier to target and disrupt – which in turn reduces the threat they pose. Attacking the financing of terrorist group is, therefore, a vital part of reducing their capability.

He mentioned that the UK takes countering terrorism financing very seriously. It figures prominently in its counter-terrorism strategy (CONTEST) where the approach focuses on three main areas; reducing terrorist financing activity in the UK; reducing the movement of terrorist finance into and out of the UK; and reducing fundraising and movement of terrorist finance overseas.

Mr. Hayes stressed that in practice, the following conditions must be fulfilled: There must be a robust domestic legislative and regulatory environment; there must be operational partners such as the police and intelligence agencies to have the right power, capability and resources; and working with our international

partners and multilateral organizations such as the Financial Action Task Force to set financial standards, build capacity and capability overseas and increase international co-operation to tackle terrorist financing.

He added that the act of financing terrorism must be made illegal. The ability to prosecute individuals for terrorist financing activity within a robust legislative framework is the cornerstone of any effective countering of the terrorist finance regime. It is vital to send a strong message that the financing of terrorism will not be tolerated. Any kind of involvement in financing terrorist activity is illegal in the UK and the legal threshold – reasonable suspicion – is intentionally low.

He stressed that the capability to investigate terrorism financing and enforce that legislation is also vital. An effective financial investigation unit is a huge asset to the government, not just in investigating and prosecuting financial crimes, but in countering terrorism and other criminal activities. Investigation and analysis of financial information allow the UK to develop a comprehensive picture of suspects, their activities and their lifestyle. It can help identify, locate and monitor their associates. That information can stop terrorist attacks before they occur. When it doesn't – it helps the UK's government to identify those responsible and provides evidence to bring them to justice. Financial intelligence is a hugely valuable investigative and evidential tool.

He added that in order for any government to tackle terrorist financing successfully, excellent cooperation is needed between government agencies internally and also across borders with international partners. That is why he saw that conferences such as this are so important. Numerous agencies in the UK are responsible for some elements of countering terrorist financing activity. The UK has worked hard to ensure the relationships between the security service, the police, and its financial intelligence unit, based in the National Crime Agency – are strong. Similarly, it has built excellent working relationships with financial supervisors such as HM Revenue and Customs and the Financial Conduct Authority; and with independent regulators such as the Charity Commission; and of course – critically –with the private sector. He noted that terrorist financing transcends international borders. The ability to follow money overseas is a real challenge. To have a real impact, there is a need to be able to track financial flows across borders and it needs greater international co-operation to effectively do this.

Mr. Hayes highlighted several of the UK current priorities. He began with the terrorist kidnap for ransom approach which has become one of the most significant terrorism financing challenges. He explained that in the past three and a half years, Islamist extremist groups have raised money amounting to an estimated $105 million from kidnaps for ransom and UK's position on this is very clear in that it will not countenance the payment of terrorist ransoms under any circumstances. However, he urged that in this important area, the international community needs

to be speaking with one voice. He was optimistic that the UK is making progress. The UN Security Council recently passed a Resolution calling on all Member States to prevent terrorists from benefiting directly or indirectly from ransom payments. But there must grit by the government to make sure that practice matches principles.

He thought that it was priority number one that any payment of ransoms enables terrorists to strengthen their organizations and increase their ability to carry out more attacks. It also encourages further kidnaps to happen. He added that citizens of nations that are known to pay for ransoms are usually singled out for kidnap. He shared that the development and the maintenance of a robust border controls is another UK priority. Some terrorists and criminals opt to transfer money physically, carrying cash and other goods across international borders. He suggested that an effective cash declaration system makes a significant difference. High value goods are also important. They can be taken overseas and sold or exchanged to finance terrorism.

He mentioned that in addition to the priority above, military equipment such as bullet-proof vests or night-vision goggles can also be taken across borders for use by terrorists, and medicines can be taken to conflict zones under the guise of humanitarian aid which can be used to treat injured fighters. All this underlines the need for a well-trained and well-informed border force. This combined with effective bilateral and regional co-operation with neighbouring countries, can and do produce tangible results.

Mr. Hayes added the UK's third priority to date has been improving their responses to terrorist and criminal abuse of the charity sector. Although charity and giving alms is a very important part of our life all of our countries, he believed that the fact that some individuals abuse the good will of our citizens to direct money for their own criminal purpose is deplorable. Thus he suggests the protection of charities form abuse and maintaining public confidence in the sector – is vital.

He said that in the UK, the Charity Commission regulates the sector, ensuring that charities comply with charity law and keeping them informed on threats facing them. It also works with communities with highlight risks of abuse: their 'Safer Giving' campaign seeks to encourage the public to ask questions about where their money is going. But we need to increase charity regulators' ability to follow charitable funds when they go abroad. This can be difficult, not least due to the nature of the operating environments which charities work in overseas, but also because these bodies are not law enforcement bodies. He argued that there is more the UK can do to make their work easier – facilitating engagement with law enforcement and ensuring they have the right power is a significant starting point.

Looking to the future, he stressed that governments also needed to ensure, that it keeps pace with the new and increasingly diverse ways that terrorists use

to raise money. Among them, the uses of the internet to raise terrorist's funds, and the use of new payment methods such as pre-paid cards and online games to transfer them, are examples. However, in the modern world, wherever terrorists are forced to interact with the legitimate sector – banks, travel agents, airports, online commerce – there will be financial transactions. This offers opportunities. By increasing our focus on financial intelligence, we can improve our understanding of terrorists' activity. We can identify vulnerabilities – and build resilience in those areas. And this won't just help us counter terrorist finance – it can help us in the fight against terrorism itself.

Mr. Hayes then explained on about money laundering. He viewed that an effective terrorist finance regime and an effective money laundering regime usually go hand in hand. The UK strongly supports the efforts of the Financial Action Task Force which sets standards and promotes effective implementation of measures for combating terrorist finance and money laundering. There is no recent comprehensive assessment of the scale of money laundering in the UK, but even with some of the toughest anti-money laundering controls in the world, we know it remains a serious problem. A treasury assessment in 2007 suggested the most serious forms of organized crime generated turnover of £15 billion a year, of which £10 billion were laundered through the regulated sector. Potentially sizeable assets of £5 billion were generated, of which £3 billion were exported overseas. And it is likely these figures have increased.

He added that most organized criminals aim to make money that then needed to be moved and laundered to hide its origin. Like terrorist financing, money laundering techniques are numerous and vary from the basic, such as carrying cash across borders, to the sophisticated, involving shell companies and overseas trusts. In the UK, he mentioned that money laundering cases depended on a wide range of enablers including – the exploitation of technology, the abuse of legitimate business services and using corrupt, complicit or negligent professionals with specialist skills and knowledge to assist laundering process.

He also stressed about the need for a response which tackles all of these areas. He informed the audience that the UK published in October 2013, a new "Serious and Organized Crime Strategy" to address these problems. Central to this strategy is the commitment to attack criminal finances and money laundering methods by making it harder to move, hide and use the proceeds of crime through the UK. To address this, it needs a comprehensive understanding of the nature and treats facing the UK both from domestic proceeds of crime as well as from international illicit finance. So the UK is conducting its first National Risk Assessment to identify, assess and understand its money laundering risk. Mr. Hayes clarified that the UK will use this information to mitigate the areas of greatest risk.

He added that operationally, the UK's priority is a stronger collective domestic and international response to money laundering. For the UK, that means a focus on professional enablers including legal professionals, accounting professional and trust and company service providers who often facilitate money laundering through negligence or outright complicity. He pointed out that one of the main barriers to tackling money laundering is the fact that criminals hide their money overseas. The Mutual Legal Assistance process is often slow, so it is important to improve international intelligence and evidential exchange. Wherever possible, the UK will seek asset sharing agreements so that both the UK and its overseas partners share a percentage of the confiscated illicit assets.

He concluded that there was a need to make the UK a more hostile environment for money laundering, by improving the effectiveness of its domestic anti money laundering supervision and the two-way intelligence and information sharing between law enforcement agencies and the private sector on the biggest threats. The UK he said was willing to share analysis of its Suspicious Activity Report and law enforcement threat data to provide information to its reporting sector on emerging themes, trends and risks. This will allow them to factor these into their risk based approach to Anti-money Laundering activity and improve the quality of reporting. As with terrorist finance, the approach that the UK applies to anti money laundering is being tested by the developments of new payment methods such as pre-paid cards with no due diligence requirements, and virtual currencies, which present a global laundering vulnerability. Efforts have been taken to ensure that the UK's legislation keeps up with the pace of this technological change. It is vital to work together internationally to assess the impact of virtual currencies and other new payment methods, and to consider whether global response is sufficient to respond to the challenges facing the UK.

Gen Tan Sri Dato' Seri Zahidi Hj Zainuddin (R) (middle) and Mr. Abu Hassan (left) receiving mementos from Lt. Gen William R. Stevenson (right), Chief Executive of MiDAS

Dr Reiner Pommerin from Germany receiving mementos from Lt. Gen William R. Stevenson, Chief Executive MiDAS

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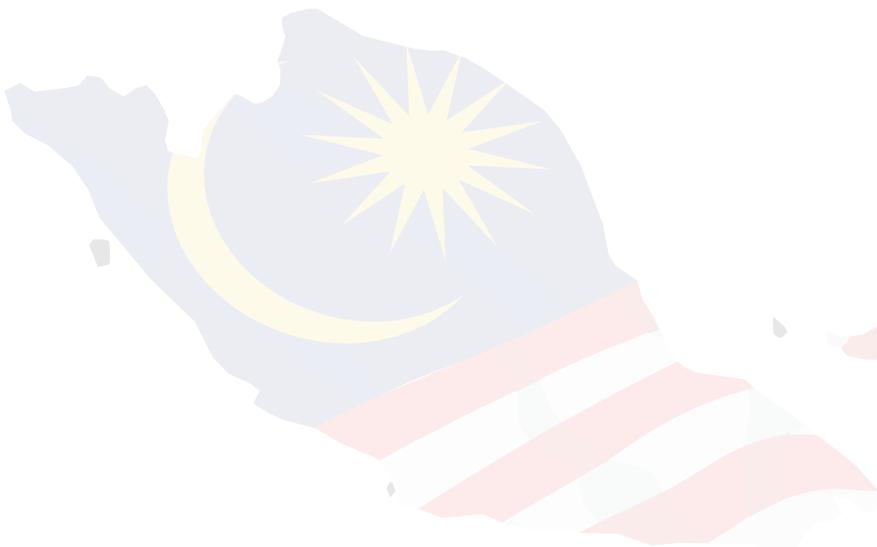
Chapter 5

Session 3
Trans-border Migration:
A Challenge to Regional Stability

MODERATOR

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National University of Malaysia

SPEAKERS

Dato' Shakib Kusmi
Deputy DG Immigration Department, Malaysia

Maj. Gen (Retired) Andrew James Molan
PM's Special Envoy for People Smuggling Issues, Australia

Mr. Andrew Bruce
International Organisation for Migration

Session 3:
Trans-border Migration: A Challenge to Regional Stability

The first speaker for session 3 was Dato' Sakib bin Kusmi, Deputy Director General (Operational), Immigration Department of Malaysia. He opened the subject by defining trans-border migration as a movement of people from one place to another, across the border of an origin country to another destination country for several purposes.

He gave a historical background on migration from the late 19th to the early 20th century. He said that during these periods the South East Asia (SEA) was one of the main destinations of mass labour movement from India and China that went into three countries such as Malaysia, Singapore and Thailand. During that time, the labour migrants focus was to get jobs considering the number of job opportunities in these three neighbouring countries. But later in the 20th century back or more accurately in the 1930's and 1940's, colonial governments in SEA established border control regimes and introduced legislation to restrict Chinese and Indian

immigration in their colonies. Looking back as early as 1970's and 1980's, where the majority of the newly industrializing countries in SEA particularly Singapore, Malaysia and also Thailand had adopted an export-oriented industrialization strategy to promote their economic development had resulted in the shortage of domestic labour. In association with the global distribution and relocation of manufacturing production and at the same time for the purpose of monitoring and control the flow of movement of the migrants, these states also developed strategies and measures that included the establishment of necessary legal frameworks for economic migrants.

Dato' Sakib Kusmi Deputy DG Immigration Department of Malaysia as first speaker for Session 3

He explained that fundamentally, there are push and pull factors that lead to the development of cross-border migration. He said that there were always push factors that existed in the country of origin, lack of opportunities, political fear and prosecution and also political unrest and instability in their country of origin. He added that sometimes people also migrated because of the natural disasters that befell their country of origin. Conversely he added that migration must be looked at from the attractive situation of the destination country or pull factors of the country. He gave job opportunities as a very clear example when people move from the original country to another host country seeking jobs and for better living conditions. He elaborated that in the Malaysian contexts; some foreigners married Malaysians and become permanent resident as well as the citizen of Malaysia based on the opportunity of education, security as well as family links.

Dato' Sakib warned however that there are migration challenges, especially that of trans-border migration, where migration sometimes can be beneficial and at the same time also bring harm or threats to the destination country. He added

that the positive/beneficial effects of the migration are fostering the economic growth, sharing of new skills and knowledge, development of the country and good investment from the regular migrants who migrated legally with proper travel documents for a certain purposes and the destination country welcomes these groups of migrants. Nonetheless, he noted that the harmful effects usually are from the illegal or irregular migrants when their presence can bring several threats to the destination country. He gave health threats like the spread of disease and the increase of criminal case involving migrants in competing with the local citizen in job opportunities as examples. He added that human traffickers, human smugglers, middle-man, harbourers and also unscrupulous employers are also bad points that need to be addressed concurrently by the authorities.

Dato' Sakib also highlighted migration issues in Malaysia. He foremost explained that since Malaysia is blessed with 329,847 km² or 127,355 square miles and having land boundaries with a total of 2669 km (Brunei 381 km, Indonesia 1782 km while in Thailand is about 506 km) and with the total population of about 28.3 million (2010 Survey) and with the demographics of 50.4 percent of the population Malay, 23.7 percent Chinese, 11 percent indigenous, 7.1 percent Indian and the rest are 7.8 percent. He figures that the role of Malaysia Immigration Department in terms of curbing migration is by facilitating Malaysians as well as foreign national through several activities such as issuance of passport and travel documents for Malaysian and permanent resident of Malaysia, issuance of visa, pass and entry permit to qualified foreign national and also take control of the movement (entry & exit) of people through border control.

He further explained the second role of the Malaysian Immigration Department was the enforcement of the immigration related laws and regulations. The Immigration Act 1959/1963 & Immigration Regulations 1963, Passport Act 1966 and Anti-trafficking in Person & Smuggling of Migrants Act 2007 focusing on violation of Immigration and Passport Act, fraudulent of travel document activities and trafficking of person and smuggling of migrants. He sighted that illegal immigrants, fraudulent document activities and trafficking in persons and smuggling of migrants are the elements of transnational or cross-border crime which can be monitored by the different laws mentioned above. As for the arrival of foreign nationals, the top 15 foreign national arrivals in Malaysia in year 2013 through the 128 immigration entry points covering land, sea and air, it was found that approximately 24 to 25 million foreign nationals visit Malaysia yearly and the highest arrival are nationalities from Singapore (49 percent), Indonesia (10 percent), China (7.2 percent) and the rest are from other nationalities.

He emphasised that by looking at the statistics of the incoming migrants, approximately 4.5 million legal or regular migrants currently in the country comprise of 2.08 million foreign workers, 131 000 foreign students, 84 000

expatriates, 11 000 under Malaysia My Second Home, 99 400 foreign spouses, 3000 resident pass and 38 000 foreign professionals and another 2 million arrival per month are foreign visitors/tourists. Comparing these numbers, the ratio of foreigner to Malaysian is about 1:6. Another issue with regards to trans-border migration is asylum seekers and refugees. There are about 15 066 asylum seekers and 90 688 refugees in Malaysia as of 30th June 2013 according to the statistic by UNHCR Office in Kuala Lumpur. Malaysia is non-signatory to The Refugee Convention 1951 and its related protocol 1967. Although Malaysia does not recognize asylum seekers and refugees, but on humanitarian ground, United Nations High Commissioner for Refugees (UNHCR) card holders are allowed to stay temporarily in Malaysia pending re-settlement to third country or voluntarily return to the origin country. This group of people are under the responsibility of UNHCR Office in Kuala Lumpur. He added that on the domestic Immigration laws and regulations, Malaysia has its own immigration laws and regulations as part of the control mechanism against the influx of trans-border migration particularly the irregular or illegal migrants.

Dato' Sakib further elaborated that the measures currently taken to control and facilitate foreign visitors by Malaysia is through the visa issuance integrity where the immigration is doing the screening of all application before granting entrance to Malaysia. Secondly, the pass issuance integrity which involve the examination of visitors at the entry point including biometric data and suspected list mechanism where the immigration scrutinize applicants during pass application at the immigration office. As for the intelligence activities, he noted it involved the monitoring on irregular movements and potential of trafficking in persons and smuggling of migrants and fraudulence document syndicates.

Distinguished guests and participants for Session 3

He added that for the immigration enforcement activities, what has been done is regular flush outs of illegal immigrants and the taking of action against those who harbour illegal immigrant (s), trafficker in person (s) and smuggler of migrant (s). He said that at the moment, the Immigration Department of Malaysia is stringently implementing the Biometric System after the mishap of MH370 without compromise or fail. There is a special program under the Ministry of Home Affairs called 6P Program that has been successfully identified and legalize half of the illegal immigrants in Malaysia at the moment. Through this program he said that the number of illegal immigrants that were successfully registered are 1.3 million, off that 503 161 of the illegal immigrants has been legalised to work in various economic sectors, while 387 430 of them had voluntarily chosen to return to their country of origin, under the amnesty program within the program period (1 Aug 2011 – 22 Sept 2013) and the program was extended with continuous enforcement activities where an additional 69 060 illegal immigrants had been arrested in the 3 phases of operation and the operation is continuously until now.

Looking ahead Dato' Sakib envisaged some future measures. He mentioned that the Immigration Department of Malaysia is going to implement the Advance Passenger Screening System (APSS), a system that screens passenger prior to their arrival by air, sea and land in the country. Secondly, the Non-Citizen Tracking System (NCTS) is an alert on non-citizen presence in the country. Thirdly is the capacity building on fraudulent documentation and increased immigration intelligence and lastly is to reinforce Immigration processes through business re-engineering.

He concluded that the issues involving trans-border migration are often accompanied by advantages as well as disadvantages to any countries involved. Therefore he believed that the government should have a strategic approach to identify the problem and strengthen their political will and resolve so as to tackle the factor that fuels negative/harmful effects and in particular to assess the role of various 'bad actors' that include human traffickers, human smugglers, middle-man, harbourers, unscrupulous employers and often unwilling consumers into supporting illegal migration-related activities. The strategy should also plan to eradicate illegal activities and make borders more secure. The continuous re-evaluation of enforcement efforts are vital. The overall strategy must also be able to create policies that reward good behaviour and reducing benefits of illegal activities.

The second speaker for Session 3 was Major General (R) Andrew James Molan, Prime Minister's Special Envoy for Operation Sovereign Borders, Australia who gave his view and positions on Transborder Migration: A Challenge to Regional Stability. General Molan talked about the operational views of the issues related to the topic. He began by talking about the 'Bali Process' as an important process which pulls the entire region closer. He described it as a multilateral process where nations involved may all work together and under the Bali Process, one can work with another, and sometimes unfortunately, we all may have to work unilaterally. Indeed, he assured everyone that since the new government was set up in Australia, the country has regained better control of its maritime border. It shows that Australia has put up strong fences throughout its neighbourhood. Australia was before this often reminded that their weak borders created problem for their neighbours. He added that a stronger Australian border today will create benefits for the neighbours. He agreed that sometimes in dealing with trans-border migration, what it boils down to is tough but good policies that can save lives of hundreds of people. Many before this had drowned at sea from Java to Christmas Island. He stressed that everything that Australia does is not just legal, but is also ethical and he believed that they are doing the right thing.

He stressed that since Australia's new government took over in September 2013, it has introduced new policies. He added that Australia has a very generous migration policy but warned that Australia was not the sole solution to the world's refugee and asylum seeker problem. He stressed that in today's circumstances, anyone who comes to Australia now illegally by boat will never ever be settled in into Australia. He argued that sometimes people smugglers' are seen as helping

good people get to a better life but in reality he warned that people smugglers' are really criminals as they lie, cheat, steal and even murder to get their money.

That is why General Molan explained that Australia would never create an atmosphere in which people smugglers' criminals control their borders or their border policy. He added that looking at three things that come into perspective are; the world, the region and the Australian challenge. The challenge really is that the 'Bali Process' looks at people smuggling and the nation as a destination country. In the 'Bali Process', Australia and Indonesia are coaches; the UNHCR tries to illustrate the size of the world's problem with the figure that is quite astonishing of about 10 million refugees in 2013 with 3.5 million of these refuges staying in the Asia Pacific region. Quite often he was told that Australia will not try to solve the problem here but instead go right back to the source and solve the problem at the source.

Distinguished guests and participants for Session 3

He elaborated that by looking at Australia, the multilateral approach that has been taken to resolve the migration problems and people smuggling are a long list of the countries that Australia has work to with. He admitted that the level of cooperation with Malaysia is tremendous. The only way that the problem can be solved is through cooperation and in the region and among the 10 million refugees in the world, the audience was reminded that 3.5 million are in the Asia Pacific Region.

General Molan used the Afghanistan situation as an example when people moved from Afghanistan to Pakistan then move back into Afghanistan when the Taliban was overthrown. He also noted that people from Iraq certainly do not come only from Iraq. He explained that many people have moved from Iraq in the past as

refugees to other countries and now they have moved again into other area. In the case of people coming from Myanmar, Sri Lanka and Iran, where they go through Australia in many cases and also to other countries throughout the world. Australia's challenge was that there are many pull factors in Australia which bring this people to Australia in search of prosperity.

He explained that since the Australian prosperity as a pull factor cannot be removed, other steps had to be taken to lessen the pull factors that allowed people to come illegally into Australia. He stressed that Australia has had a bad policy and implementation in the past but Australia challenge remains to be its geography and air traffic. He added that people know the Australia's geography very well and people come through the Christmas Island and the Ashmore area which means in order to protect the borders, it's not necessarily to protect 10 000 km of coastline, but only have to protect a few areas.

He explained that in the past, Australia had solved the problem of people entering Australia illegally by boat. In 2001, the Pacific solution showed the large number of policies was put in place and the situation was solved, the number drop down. During 2008, the government applied policies which did not match the reality of the situation and the numbers went through the roof yet again. It showed that Australia had the capacity to forget the good lessons and right policies. Australia also considered having a good migration policy as to the Australian people, migration is very important. Australian people will not trust a government which cannot manage its borders and they accept 190 000 legal migrants each year and offer 13,750 more visas under Humanitarian program each year and 6000 of that total reserved for UNHCR referred refugees.

He reminded the audience that Australia takes the second highest number of resettled refugees per capita in the world (after Norway). In absolute terms of taking refugees, Australia is top three in the world. The number of people who had come into Australia illegally by boat since 2008 were 51,799 and in July 2013 it was recorded as the highest single month where 48 boats carrying 4236 illegals. Australia currently detained offshore of 4699 people comprise of 28 percent Iranians, 14 percent Sri Lankans, 13 percent Vietnamese, 5 percent Afghans and 5 percent Iraqis. He said that at one point in time, Australia was receiving one 'people smuggling boat' at every 16 hours intervals. Since then, Australia's borders ran Operation Sovereign Borders (OSB) that aimed at negating the people smugglers business model.

He was happy that since OSB, Australia has viciously and effectively attacked the people smugglers' business model and the effectiveness of that particular policy could be seen when the number of boats were reduced substantially from 48 boats in July 2013 drop to 25 boats in August 2013 after the previous government introduced certain policies. In September 2013, the numbers of boats were 15

in October and in November 2013, it dropped further to 5. Due to some minor disagreement with Australia's long term friend Indonesia, the number went back up to 10 in December 2013. When Australia had introduced again certain effective policies, the impact can be seen in the last 3 months (January, February and March 2014) when there was not a single illegal boat that managed to arrive in Australia. General Molan added that people smuggling and trans-migration across borders will remain a challenge. It is also a threat to regional stability but he is hopeful that it can be solves by efforts of nations working together meaningfully. He concluded that if each of state controlled it own borders, then everyone benefits.

Mr Andrew Bruce, Regional Director of the International Organization for Migration as the third speaker for Session 3

The last speaker for the 3 Session was Mr Andrew Bruce, Regional Director of the International Organization for Migration (IOM) for the Asia Pacific. He started by highlighting relevance of Strengthening Security and Regional Stability in an increasingly globalized world and appreciated the opportunity to be part of a panel which examined the topic of "Trans-border Migration: A Challenge to Regional Stability". Mr. Bruce began by reflecting on how IOM has sought to support states in developing 'migration management approaches' that help minimize the risk of migration that undermines regional stability. He told that human mobility has progressively become a more important issue in the world in recent years and there are an estimated 232 million migrants globally, including up to 50 million in irregular status. As economies expand, people are travelling further, and more often crossing borders to find work and improve the lives for themselves and their families. Some he added were also people fleeing persecution and conflict as well as those who have been displaced by natural disasters, including across borders. It

is estimated that there are currently some 4 million irregular migrants in Southeast Asia alone.

He explained that migration in its different forms intersects with development, humanitarian and security issues. With international migration projected to continue increasing in scale and complexity over the coming decades, societies of the future are expected to exhibit increasing social and economic diversity. The successful integration of migrants into host societies and, more broadly, the manner in which communities at large experience migration constitutes a major policy challenge for states and societies, including in that in our region. Migration remains politically sensitive and governments face the difficult task of dispelling the misunderstandings surrounding it. Indeed, misinformation and misperception can trigger a vicious cycle which influences government policy, and in turn, perpetuates negative attitudes towards migrants and migration in mass media and the community at large. He warned that this can negate efforts to make migrant communities feel part of society and identify shared values and interests. Marginalization and stigmatization of migrants may cause instability – not migration as such.

He continued that the perception of migrants as a threat to national security often neglects that, migration contributes to economic and social development and that properly managed migration can reinforce national and regional stability and development. He argued that when migration is well managed it contributes to the economic and social development of migrants, and of both countries of origin and destination. In fact labour sending countries in the Asia-Pacific received some US$ 237 billion in remittances in 2011 alone, a significant amount. Destination countries' economies also benefited immensely from the contribution of migrant workers: He told that in Thailand for example, migrant workers annually contributes to some US$ 11 billion or 6 percent of the Thailand's GDP.

However Mr. Bruce admitted that the world had seen in the past that migration flows between countries can create bilateral and regional tensions. He added that there is further growing recognition that irregular transborder movements may have a destabilizing effect on a region. In the Asia and Pacific region he added, smuggling and trafficking networks pose a genuine threat to law and order. These criminal networks are at times related to organized crime, corruption and in some cases to the movement of illicit goods, including weapons and drugs. It is against this backdrop that the 'Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime' was set up in 2002. More than 45 member countries and international organizations participated in this voluntary forum. The Bali Process provided states in the Asia and Pacific region with an opportunity to discuss and develop coordinated approaches to address people smuggling, trafficking in persons and related transnational crime. He added that the process

further supports the development and implementation of strategies and practical cooperation in response to these challenges.

Although he agreed that at times migration is looked at as source of regional instability, there are on the other hand cases that point to the fact that regional instability, including conflict and situations of insecurity are the source of generating migratory movements. He shared that a main contributor to regional instability that is often overlooked, but that is directly linked to trans-border migration is the issue of land and property which is often at the root of conflicts and instability. Particularly in conflict and post conflict situations, changes in land use and ownership can be both driven by instability – as people are forced to move off their land, and be drivers of instability – as those claiming original ownership try to reclaim land.

Mr. Bruce believed that issues of tenure and land use can exacerbate tensions and conflicts in several ways. The occupation of land and property left behind during a conflict can lead to bitter and prolonged disputes after the crisis is over. A breakdown of pre-conflict arrangements on how to manage land and property and how to resolve disputes can destroy pre-existing conflict resolution mechanisms; land can easily be damaged or degraded during a conflict; additional pressure can be put on land and property where camps or informal shelters are created to accommodate those displaced by conflict; and the overall land and property picture may shift - temporarily or permanently – as a result of a conflict.

He gave the example of the civil war in Rwanda as one with the issue of property rights at its heart. The roots of the issue are known to be ethnic, between Tutsis and Hutus, however in practical terms the issue has been exacerbated by land and property disputes. After independence in 1962, a large population of Tutsis fled the country as a result of the political turmoil and of persecution. Their land, then abandoned, was often arbitrarily divided between the remaining, mainly Hutu, residents. After the Tutsi-led Rwandan Patriotic Front's victory in the civil war of the mid-1990s the new government ordered land to be reallocated to take account of the returned Tutsi population. However, this has by no means resolved land-related uncertainty in the country. The reallocation used a variety of different methods and thus was not wholly consistent.

Additionally he said that any security of tenure is predicated on the Tutsi-led government remaining in power, which is by no means assured. The IOM's expertise he explained are in the area of land, property and reparations was recognized when the International Criminal Tribunal for Rwanda requested the organization to develop a set of concrete recommendations and suggestions leading to a lasting solution to this issue. The organization has also been asked to

develop similar recommendations for the International Criminal Tribunal (ICT) for the former Yugoslavia. In this region, there are land rights and displacement issues to be resolved in Mindanao Southern Philippines. He told that IOM has recently been working with the World Bank (WB) to assess questions of Land and Property which have arisen due to widespread displacement caused by ethnic and religious tensions and conflict in the area.

Dr. Bruce foresaw that resolution of these issues would make an important contribution to bringing stability to this region. IOM as the international migration agency continues to advocate comprehensive approaches to migration challenges that take into consideration the legitimate security concerns of all states, including those of source, transit, and destination as well as the human rights of migrants. IOM itself was established in 1951 during a time of regional and global instability following the Second World War when there were some 3.5 million people displaced in Western Europe alone. He told that IOM then was tasked with helping European governments identify resettlement countries for these people uprooted by the war. In the 1950s, the organization transported nearly a million displaced people to resettlement, mainly in Latin America and Australia. Over the decades, IOM has considerably broadened its thematic and geographical scope based on the mandate given it by its member states.

Mr. Bruce who had served as IOM's first Chief of Mission in Kosovo following the withdrawal of Yugoslav forces in June 1999, at a time of large-scale displacement and regional instability. In the late 1990s, against the backdrop of Yugoslavia's economic collapse and Slobodan Milosevic's ethnic cleansing of Kosovar Albanians, large numbers of these people fled Kosovo to Albania and Macedonia. Broadly, this migration resulted in increased trade and an 'economic boom' in Albania whereas in contrast Macedonia's ability to cope with hundreds of thousands of Kosovar- Albanian refugees was limited and the burden took its toll on the country's economy and placed an enormous strain on relations between ethnic Macedonians and ethnic Albanians. He told that the government's policy of slowly admitting refugees, police violence against them, and the periodic refusal to admit additional refugees fuelled resentment among Macedonia's Albanians. Furthermore, insurgents from the Kosovo Liberation Army began crossing the border under the pretext that Albanians were treated poorly and needed protection. This may have played a role in triggering the civil war that began in 2001. Conversely he noted that, the sudden surge in Kosovar-Albanians into Albania was effectively managed and refugees were taken care of. It is interesting that the same population had such different impacts on the two countries.

A participant posing a question

He explained that this can partly be explained by the fact by the different policy approaches taken by each of them. IOM's response to this humanitarian crisis within Kosovo focused on community stabilization activities. These activities addressed the root causes of tension and displacement by providing for basic needs beyond emergency relief. In short, displacement was reduced and return encouraged by making the place of origin more attractive economically and socially, thus creating a pull factor. IOM also assisted Kosovo's neighbours cope with the strains of large numbers of arrivals of Kosovar Albanians through temporary evacuation to safety in third countries, medical care and medical evacuation, the provision of public information, and training and capacity building for the Governments in dealing with vulnerable migrant populations. IOM also provided services in camp management, community relations and micro-enterprise activities.

He added that since the 1990s, States have increasingly requested IOM to provide a range of support measures to address trans-border migration in crisis and post-crisis situations, and encourage the organization to develop more strategic approaches to the migration dimensions of such crises. In particular, states systematically come to IOM to seek assistance for their nationals who find

themselves in crisis situations abroad. Forty six of them formally requested IOM to evacuate their nationals from Libya during the recent civil war there and forty three countries have done the same for their nationals in Syria including the Philippines, Vietnam and Bangladesh in this region. The inter-linkages between security, regional stability and international migration are complex and require attention at different levels. He added that IOM strongly believes that trans-border migration, when properly managed, contributes to rather than undermines regional stability.

Mr. Bruce at the end of his presentation came out with four recommendations. He recommended that Governments can help to ensure that migration contributes to regional security; through regional cooperation to prevent and combat irregular movements of migrants; through comprehensive responses to crisis situations with a migration dimension; through improving public perception of migrants and migration and support for migrants to integrate into host communities; and finally, through solving land and property disputes often through the use of reparations. He concluded that IOM stands ready to assist states in all of these areas. ∎

Guests and participants for Session 3

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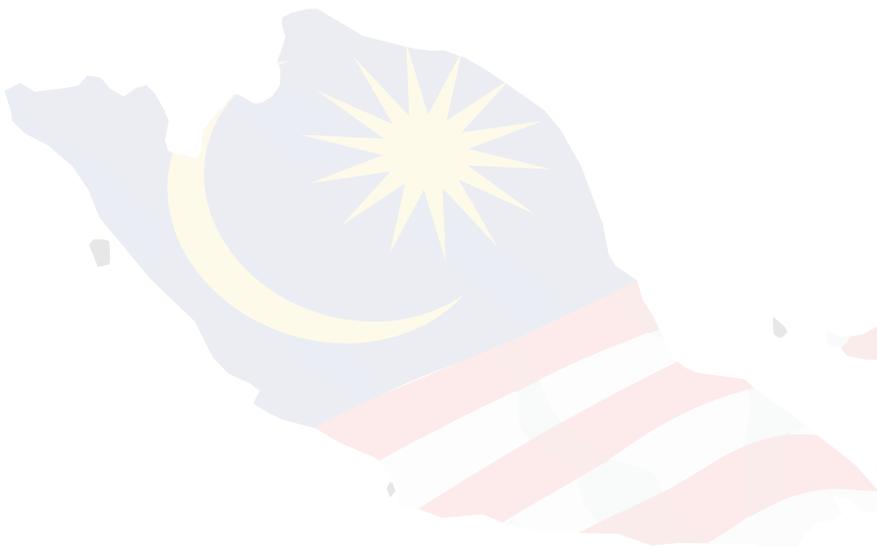
Chapter 6

Session 4
Rethinking the Military Doctrine

MODERATOR

Gen Tan Sri Dato' Sri (Dr.) Zulkifeli Mohd Zin
Chief of Defence Forces, Malaysia

SPEAKERS

Gen. Nicholas Houghton
Chief of Defence Staff, UK

Lt. Gen (Retired) Daniel Leaf
Director of Asia Pacific Centre for Security Studies, Hawaii, USA

Lt. Gen. PK Singh (Retired)
Director of United Services Institution of India, India

Session 4:
Rethinking the Military Doctrine

General Sir Nicholas Houghton was the first speaker for Session 4 and he began his speech by thanking the Malaysian Defence Minister, Chief of Defence Force, the organisers of the conference and Malaysia Institute of Defence Security.

He expressed that his final caveat as far as his introductory remark is concerned relates to the scope of military doctrine itself. He told the participants that doctrine after all serves so many different purposes as the operational guidance to command designated staff. He added that doctrine was the embodiment to the tactical level and also the enduring principles learned through operational experience and the lessons learned.

Gen Sir Houghton mentioned that the elements of the nations doctrine are enduring and timeless and believed that one of the great challenges of military strategic taught is to constantly revalidate the utility of the military instrument of national power to the age in which you live.

He pointed out that the security perspectives have at least four characteristics. Namely uncertainty, instability, the new threats that have arrived and lastly is the world look to be composed of ideas which are ever more mutually interdependent than hitherto. He added that the uncertainty is primarily attributable to the changing dynamic of world power. The dynamics are essentially about demography and economy. He explained that since the Asia Pacific is ascending, the United States is to an extent rebalancing or pivoting to meet the reality of the Asia Pacific century. He added that as a part of that rebalancing, some of the uncertainties are changing.

According to General Sir Houghton, the second of the qualities that he observed on the International Security condition is instability. Instability defines North Africa and the Middle East. It is probably the biggest internal security concern for both Russia and China. It pervades Africa and this is both a maritime as well as a land based phenomenon as witnessed by the Gulf of Guinea, the Indian Ocean and clearly both the East and South China Sea.

He pointed out that, the ground strategic security challenge of this age is how you maintain stability while accommodating change but these challenges are attended by two more complicating conditions. The first complicating condition is the absence in traditional symmetrical force on force terms on state sponsors existential threats. He added, some might argue that the Russian action in Ukraine contradicts or challenges this statement but not from the British perspective. The formal proximate threat of this age, of a new diverse and insidious threat that confront us of the daily bases are such as terrorism, a cyber-attack, organised

General Sir Nicholas Houghton Chief Defence Staff from UK as the first speaker for Session 4

crimes, extreme weather events and the threat of a symmetrical attacks on critical national infrastructure on energy supplies.

General Sir Houghton added that the international security context is the ever more complex interaction and interdependent of nations and countries. He observed that any two nations on earth can have a relationship between each other that can be categorised as cooperation, competition, confrontation and conflict all of which can exist at the same time and certainly trade competition and cyber conflict are daily conditions in most of the relationships. He added that, looking at Russia, it was part of the reason why Western governments and governments in NATO considered that deterrence through economic sanction in less dangerous than the risk of deterrence through military escalation. The United Kingdom is enduring a period of relative austerity. As the economic recovers from the global economic crisis, the government makes fiscal consolidation and plays its part.

He mentioned that the second internal factor was the absence of the existential threat to the United Kingdom in defence terms. This makes many people question the capability of their Armed Forces inventory. He noted that perhaps too much emphasis on platforms and numbers of tanks, ships and planes but insufficient priority on other important enablers like intelligence, surveillance, cyber defence & offence as well as Conventional and Special Forces. The balance within the long term insurance policy of conventional forces and the ability to confront the threat of the moment does represent a very clear tension particularly in the perspective of financial austerity.

He highlighted that a particular condition of United Kingdom at the moment is shared by many of the countries. After a decade of combat in Iraq and Afghanistan, there is now in society a feeling of exhaustion and political caution about the concept of liberal intervention especially in circumstances where the national interest is not absolutely clear. The beneficial advantage of military force is a least debatable and where the circumstances are therefore discretionary.

He suggested a few general conclusions on doctrine from the perspective on the strategic commander requirement to constantly re-evaluate the utility of military capability so that it remains relevant to the context to the age. He said that the era of liberal intervention to help encourage and support demographic change has passed.   He mentioned that we are into the period where the beneficial use of a military force in campaigns which are only discretionary to the national interest would be deeply questioned by society and government. He warned that that the world remains a dangerous; uncertain and potentially unstable place which abounds with new threats. Subsequently he believed that the need for military capability has most definitely not disappeared but has to be changed in both the nature and the use of military force.

General Sir Houghton added that counter balance to the reduction and intervention would be a great emphasis on protection to deal with the less existential but more proximate threat of the age. He also mentioned that the Special Forces are in the defending and offensive dimension of cyber threats but that also does need to be a proactive rather than the reactive doctrine for this age. He believed this should take the form called Increase Defence Engagement in the United Kingdom. This helps to prevent conflict, build indigenous capacity and stabilise countries that are risk prone. He also mentioned that such engagement should not be at the level of tokenism. It should be at a level of a strategic posture. International and regional security institutions have to play their parts on this.

Distinguished guests and participants for Session 4

The other measure of he observed was that, alliances will become ever more important. The collective security groups of nations would be the only way that many nations would be able to afford security from the potential of the real emergence of existential threat of a more classic kind. The aim of alliances must be of that credible deterrence in order to avoid conflict and therefore alliances must establish the regional mechanism to manage crisis and to be transparent about capability and to build confidence. Alliances must also mature to the point where genuine capability pulling, sharing and interdependence can be achieved because far more of the available money is going to be spend on different things or intelligence, information management, advance medical capability, cyber offence and defence, increasing initiative to reduce the manpower burden through robotics and vehicles. Few nations on earth will be able to afford a wholly sovereign approach to their security needs.

General Sir Houghton concluded by saying that the four structures will move from the practice of emulation and plays more emphasis on the exploitation of the symmetric. On a national basis, it will shift from intervention more to war protection. He added, Alliances would be the mechanism but wished to maintain mass and conventional deterrence. International Defence engagement should become the mechanism by which region of the world will be more self-sufficient in security terms.

Lieutenant General (Ret.) Daniel Leaf USAF from APCSS USA as the second speaker for Session 4

The second speaker for the 4th Session was Lieutenant General (Ret.) Daniel Leaf USAF. He began by highlighting that the world was at point of a major evolution which was in progress and it was the time of great change. He believed that if we do not understand that change and the framework of modern security, our doctrine would not meet the needs of the current era.

General (Ret.) Leaf pointed out that the traditional roles of the defence forces remained very important. An Army, an Air force, a Navy and a Marine force fundamentally need to do three things; deter an enemy without fail, defend the country and win. He said that the non-traditional roles include humanitarian assistance, disaster response, peacekeeping and the new core mission from armed forces security cooperation. He also mentioned that there was yet any defined doctrine for security cooperation in its broader terms. He believed what the Armed Forces had done   around this region was especially to decrease the probability that they will need to defend to win. Security co-operation addresses those diverse issues like disaster preparation and response, humanitarian assistance and peacekeeping.

He added that those other security roles are also changing overtime. He mentioned that cyber security as one mission; food and health security and even water security are the serious security issues as well as trafficking of people and things. In that, with the emerging roles in the new mission, the Armed Forces are operating in an environment where the need for governance and security are increasingly demanding. People freely get their information from Face book, Twitter, Instagram and through online posts. The information gathered can become fact almost immediately to some and thus lead to an erosion of the authorities' ability to defend, to govern and to protect the people. That was, if the government were not aware of their demand.

He highlighted that the Armed Forces was still in the new era retaining a unique standing of responsibility that differentiates them from the security partner and without understanding that interaction will be difficult in this complex environment. In most cases, the Armed Forces still retained a unique position of trust and confidence. They are seen as impartial, competent and ethical. He added, that the Armed Forces also brings special capabilities, probably most importantly in an internationalised world that we are in today, our Armed Forces are emblematic of their nation.

General (Ret.) Leaf said that in the past, security was largely defined in terms of the activities and operations of those bodies authorised with the use of force or armies or police forces. But now it is expanding due to the new nature of new problems, and thus everything new in the modern world. It includes civil

Distinguished guests and participants for Session 4

management over sight bodies, the judiciary and public security bodies, not to mention traditional security agencies and so on.

He added that the Armed Forces are not just different on how they are viewed. They are other key differences between them and those they interact with. The tools, special capabilities, motivation, loyalty, priorities and ethnics within it were generally stood above all else. He mentioned that language may be the most important factor to consider when the Armed Forces are to operate well in the modern world. Different languages are used in our own country, and so the ability to communicate is essential to cooperation.

He said that an effective military that can operate in whole of governments have to be firm in their institutional and national values. They need to be adaptable and flexible in practice; they should not leave their core. Their adaptability should not be a principle for ethics but to new mission and new environment. They must have the awareness to the priority, the mission, the capability that the other players bring to security. Moreover, the equipment has to be interoperable. He quoted that 'Language is essential and if you can't talk, you can't act in converse with those'.

General (Ret.) Leaf concluded that what Armed Forces provide must be transparent not just to the civilian government but to the people they protect. That is the ability and willingness to operate under the Rule of Law. Consequently, he hoped that by setting the framework for the modern environment in which Armed Forces are operating, it will help us to examine our doctrine and ensure it is comparable with the future.

Lieutenant General PK Singh (Ret.) from USI India as the final speaker for Session 4

The final speaker was Lieutenant General PK Singh (Ret.) from USI India. He began by outlining that it is better to look at the subject or topic from a broader perspective without trying to narrow it down to only the experience of the Indian Armed Forces or Indian perspective.

He pointed out that today there is a shift in the conflict paradigm. There are conflicts that became hybrid in character, combining the conventional with the irregular as well as isometric trades which includes nuclear and cyber trades. Therefore, rethinking of military doctrine was very timely and important for a simple reason that doctrine has the tremendous impact on the strategy process and also the doctrines themselves keeps evolving based on our experiences. He said that doctrines are not permanent physical laws but are based on interpretation of changing evidence and experiences. In other words, for doctrine to be meaningful, it must be based on the analysis and interpretation of that particular experience. He nevertheless believed that the experience gained, analysed and interpreted by a set of experts from one country maybe totally different from that another set of expert analysing the same event. He pointed out that we cannot blindly copy the doctrine of another country or a doctrine from another country's history.

He highlighted that in today's world, there are many subjects with not enough experiences or details available for analysis and interpretation on doctrine. He mentioned that the bases or data on which we have based on doctrine for nuclear war fighting and deterrent for that matter. During the Cold War, there were doctrines for fighting tactical nuclear wars as well as full scale nuclear wars.

Guests and participants for Session 4

He said that wars have been deterred because of nuclear weapons or the other way around. Today, we have to contend with the emergence of tactical in our neighbourhood and needless to say also have the bearing on the nuclear doctrine. The next point that he pointed out was that doctrine can be evolved or modified

based on the lesson learned from operations conducted by other Armed Forces as well experiences that was available in and around the world. He suggested that we do not have to reinvent the wheel but the data gathered by the operations must be carefully analysed and moderated in keeping the condition existing in our own country and view.

General PK Singh (Ret.) said that we can also train our air force; navy and marine world or other force that we have but that is not good enough. He mentioned that we also need to train with our strategic alliance partners or our partners. Hence, there is a need of training within our service and with our alliance partners. He pointed out that the great difference today was that we also have to train the Armed Forces of countries with whom we may have differences, they may not be an alliance partner and that are the challenge of your doctrine.

Guests and participants for Session 4

He highlighted two important facades of document development and its use. The first point is that doctrine can stagnate and become irrelevant if the assumption and condition created either changed or they are not updated. The difference between doctrines and principles of wars is the needs to trust the ability of their generals employing doctrine to have the good judgments of knowing in what way we can depart from the laid down doctrine.

He pointed out on the challenges of rethinking military doctrine. Military doctrine plays in influencing strategic decision made by the political leadership specifically in democracies. Therefore, the military has to reconcile with the facts that via the military doctrine we have to design to achieve a victory. They would have to content with the strategy changes and political decision made by the political leadership. The military needs to understand two basic things. First, military doctrine was the only one of the factors influencing strategic decision making and second the understanding of civilian leaderships about military doctrines. He said

that there was no offence to the military leadership but time and regulation was needed to understand the complexity of modern military doctrine.

According to General P.K Singh (Ret.) the next issue that will help in the bearing of doctrine was the availability of financial resources and military technology. The challenge was to maximise the value in the available defence budgets and also the ability to translate emerging technology into real military capabilities. In new phenomena, the military doctrine has to content with the challenge of fighting non-state actors as well as the combination of strait and non-state factors working together. He pointed out that the challenges take account of how we involve with doctrine to deal with the country that uses terrorist organisation and non-state actor as instrument of state policy. He said that the people in India are fully conscious of these challenges that dominate their neighbourhood. He stated that the integrated nature of modern conflict that linkages within transnational terrorist and criminal organisation and non-state actors with doctrine that evolves and needs to be catered for the military is working with greatest synergy and diplomat intelligence and enforcement law agency, NGO and even the media.

He pointed out that the doctrine has to cater for full doctrine operations. The Armed Forces must be able to carry out joint operation in the length, maritime space, cyber and nuclear domains. He added that the soldiers must be able to fight and destroy transnational non-state organisation operating from anywhere. He concluded that our soldiers must be able to contribute to the global peacekeeping, participate in the other operations and finally when the chips are down all militaries must be prepared to defend their own national core interests by themselves. ∎

A Session 4 group photograph with distinguished moderator and speakers

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Chapter 7

Session 5
Terrorism: Trends and Challenges

MODERATOR

Prof Ruhanas Harun
National Defence University of Malaysia,Kuala Lumpur, Malaysia

SPEAKERS

Prof Kumar Ramakhrisna
S. Rajaratnam School of International Studies, Singapore

Dr. Peter Knoope
Director of International Centre for Counter-Terrorism,The Hague,Netherlands

Mr. Thomas Koruth Samuel
Director of Research and Publication Division, SEARCCT Malaysia

Supt Mohd Zaini Akhir
Special Branch Counter Terrorism Division, Royal Malaysian Police

Session 5
Terrorism: Trends and Challenges

The first speaker for Session 5 was Prof. Kumar Ramakrishna, Head of Centre of Excellence for National Security, S. Rajaratnam School of International Studies (RSIS) Singapore. He started his presentation with pleasantries on honoured he was to be part of the 2014, Putrajaya Forum. He was pleased to share his personal views on the topic of Terrorism: Trends and Challenges. He gave the overview on his analysis of what was called the "new terrorism" phenomenon although he felt that it was a topic could not be covered with the little time available.

As such Prof. Kumar focused and zoomed on one particular aspect of the new terrorism trend in South East Asia, or the 'Jemaah Islamiyah' ideological milieu where he explained what it meant. Importantly he explained and talked about the current trends that were taking place. He also briefly assessed the way in which operational, ideological and technological trends could herald the rise of possible and significant new trend, the Lone Wolf terrorism.

Prof. Kumar explained further his take on this 'new terrorism' where an academician tend to come out with many terms. He mentioned that common literature on the subject refers to what some scholars called the Fourth Wave of religious defining ways of terrorism, some of the terminology like Mega-Terrorism, Super-terrorism, Mass-Casualty Terrorism, Catastrophic Terrorism, and Apocalyptic Terrorism. The idea was to paint a picture of this new wave as a spectacular, massive, big casualty's act that aims to generate a lot of casualties and thus make a very big effect. He added that there were four key features of the 'new terrorism' and there were also many ways to explain them. He thought of them as increased destructiveness; a religious ideological dimension; a network structured but flexible leadership style.

He said that the increased destructiveness was an obvious trend since the 1990s. He took the example of the first World Trade Centre, New York City bombing in 1993 that although there were only six people that got killed, but it injured a few thousands. Even before that he added, in Tokyo 1995 when 'Aum Shinrikyo' new religious movement wanted to kill thousands of people it only managed to kill 12. The other example highlighted was that of incident in Oklahoma City when Timothy McVeigh had tried to kill members of the US Federal Government whom he considered his ideological frame of mind as the enemy of the particular community that involved the Alfred P. Murrah Federal Building of Oklahoma city 1995. Then he noted that there was an incident in East Africa in 1998 when the al-Qaeda came unto the world stage when two US embassies, one in Kenya and the other in Tanzania were targeted. Of course of all the examples he sighted, Prof. Kumar had thought that the 9/11 incident was the worst terrorist catastrophe in

history then came Bali in 2002 and the Madrid 2004 train bombings. There were other attacks since then. The most recent were the Oslo activity attacks; Norway because of what he described as the Lone Wolf attacks. Another was the Boston Marathon Bombings just recently; he believed that although there were relatively few casualties in the terror incident, the aim of the perpetrators was to kill the most people because bomb was placed near the finishing line of the race, where the idea was to create many casualties. The same goes for the incidents last year in Nairobi at the Westgate Mall when soldiers were trying to target civilians with the aim to create mass civilian casualties.

Prof. Kumar also elaborated on the new terrors focus on civilians. He added that these days when one talks about terror they will also talk about civilians. So he gave some background on the reason on why the new terror targeted civilians. He looked at the evolution of terrorism down through the years, where he found that the 'new terrorism' was different from the previous waves of terrorism; it was more secular, more motivated and more nationalist. He gave the example of terror during the 1970s; there were the Japanese Red Army, the Germany Red Army Faction, Red Brigades, IRA, PLO, ETA, and the Tamil Tigers. All of of whom Prof. Kumar considered to be motivated by a secular political [vision].

He believed in other words that terror was then seen as a form of political communication. In another words, they use terrorism in order to communicate with the government, "If you not give it to us, we will do this and this, will create so much trouble that you will lose part of your own people." Terrorism at that time always had some political aims. There was fear that those terrorists see themselves fighting on behalf of the people. When people see terrorism used by them make sense, so they don't just target anybody, they target those who have sinned, because the whole community agrees that these are the collaborators with the enemy, and so these guys deserved to be targeted. It is a form of communication. Ultimately, a viable and sustainable political solution was sought after.

Now Prof. Kumar recounted the 'new terrorists' of today where the old version or explanation no longer fits as a glove and theirs was instead driven by particularly religion, but ideology which was combined with religion. It's a political ideology but expressed in religious terms. He noted that when the 'new terror' is put in religion, people will say it is a religion. Prof. Kumar thinks that this combination was very cunning indeed. He argued that if you bring religion into the picture, there is no more negotiation, the division in thinking would be 'us against them'; 'good vs. evil', 'we belong to God, you don't belong to God'. Therefore, it becomes very difficult to negotiate as he pointed out. So when it becomes very difficult to negotiate as your enemy is somebody you can ultimately change to become a friend after you negotiate. The conclusion would always be that the enemy is evil. So the only thing to do is to destroy the enemy.

Prof. Kumar also pointed out another thing about the "new terrorism" that it had Networked Structure. Information technology, the internet is very important. He said that the Internet was used as a means of recruitment, communication, training, and co-ordination. It was not a surprise that many of the new terrorists are very well-educated as they have PhDs, medical background and engineers. And co-ordination was expedited by an ideology shared by world view.

He added that due to technology, there was a leadership style prior to the October 28, 2001, al-Qaeda Central co-ordinated operations from the AfPak (Afghanistan-Pakistan) borders. But after US Operation Enduring Freedom, the al-Qaeda Central was dispersed and because of Iraq intervention, al-Qaeda Central began to regroup in AfPak border. Now you see the emergence of other regional centres, al-Qaeda in The Arabian Peninsula (AQAP), Islamic State in Iraq and Syria (ISIS), AL-Qaeda in the Islamic Magrib (AQIM), Al-Shabab and so on. Due to Internet success around and in middle of the past decade, the ideology managed to spread around the world, while al-Qaeda Central was dispersed and although it was not so strong before 2001, the ideology has spread around. This had given rise to self-organising, home-grown terrorist cells which had developed in various parts of the world, and it may not be connected to al-Qaeda Central, but they buy into the ideology, they accept the ideology as correct and they will do the things that the ideology tells them to do, although they may not get orders or directives from al-Qaeda Central. These 'self-radicalized individuals' to which some people called "bunches of guys" present a new threat to states. He noted further that the new guys involved also have no law enforcement records, so they are "clean skins" that make them very difficult to detect.

Prof. Kumar took a look at South East Asia particularly, Southeast Asia and the Jemaah Islamiyah (JI). JI for the past decade was the big transnational terrorism trend in the region. JI he said was an Indonesian-based but transnational terrorism

network that originally wanted to create a pan-Southeast Asian Islamic state, divided into four regions that was from southern Thailand right down to Australia. Actually, he explained that the JI was older than al-Qaeda, it started with the old Darul Islam movement in Indonesia after World War II. All these are the historic Darul Islam features. The Bali bombings 2002, of course was a big shock, and there have been many other strikes since then but Prof. Kumar believes that the JI now was taking a lower profile before than as other groups like Jamaah Ansharut Tauhid in Indonesia has become more significant. He elaborated that the JI trend today has become less significant because of the improved security force, action, intelligence cooperation between countries like Singapore, Malaysia, and Indonesia, in particular. The many notable successes in recent years has to an extent made the main stream JI in keeping a lower profile.

Prof. Kumar warned however that the trend of terror was evolving because the ideology is still alive. He said that since the ideology is still alive, so the trend is evolving. JI he added was equipped by associated organisation networks like Jamaah Ansharut Tauhid another group by al-Qaeda in Aceh that was broken up about four years ago. They are now splinter cells in different name he explained and they keep up the organisations by self-organising like HASMI, Cirebon Cell, East Indonesia Mujahidin Commandos, Abu Roban group and other al-Qaeda groups in Indonesia. He noted that the emphasis in ideological system seem to go between, whether they want to attack the local targets like police or they want to attack foreign targets like embassies, whether they want to be organized to have a base like Aceh now, or they want to create a base in Poso, Indonesia or individual jihad that acts best without a base but have dispersed instead small cells here and there. Interestingly Prof. Kumar found that different commanders have different views, but their ideology is more or less the same.

He added that there was also the trend of a transnational element. As such the Singapore and U.S. embassies in Jakarta had been targeted, recent focus on the Myanmar embassy was targeted due to the Rohingya problems as there has spill over effects. He viewed that there was now a new phenomenon developing, because of the problems in Syria, there are some volunteers going to Syria to join in the battles. He noted that this was a worrying trend because it had happened before in the 1980s when volunteers would go to Afghanistan to join in the fight. The event seems to come back and was making a full circle.

Prof. Kumar explained that in short, the JI is presently more like a JI community with JI ideological milieu. Other groups associated with JI will buy into the same JI ideology. This is another danger and it is seen in the recent attacks, suicide bombers in the July 2009 attacks were "clean skins" and there have been many close shaves since then. In short the terrorists are evolving, that was the key, and the trend is that they are evolving. New groups will likely evolve further he argued, as what

international crisis groups used to say, because these groups are resilient. He said that they are able to adapt, to regroup, regenerate and fight on and he said that these are the very good things to remember, this is the nature of the trend.

He explained further that due to intense security and intelligence action since 9/11, the al Qaeda is no longer the same at the global level. He added that according to a well-known American scholar Bruce Hoffman there were many ways to talk about current global configuration and there are four distinct, but not mutually exclusive elements. The first, "Al-Qaeda Central", the old organisation; then "Al-Qaeda Affiliates and Associates" including the AQIM, and ISIS in Iraq for example; third, "Al-Qaeda Network" comprising these Al-Qaeda type that now do things on their own by the example shown by the 7/7 July 2005 London bombers; and fourth, the "Al-Qaeda Galaxy", comprising home-grown Islamic radicals. People that may not have any direct connection with the al-Qaeda but may have been influenced through the open Internet.

He argued that they may have self-radicalised, and then they started to do things on their own, with no one in Pakistan or Afghanistan telling them to do it. But they just went online, self-radicalised and they went to do their own things. So Prof Kumar contends that, what holds this global movement together is more or less the common ideology that tells them; what the problem is; who the enemy is; and why violence is justified.

Prof. Kumar explained that apart from the operational development above, there was also an important ideological upward trend. He mentioned of an influential person, Abu Musab al-Suri ideologue that at around year 2005 and in a 1500 words treaties, called The Call for Global Islamic Resistance in essence had said that you don't wait for instruction from al-Qaeda Central, you form independent cells, more or less go find the gold keys, apply the principle to your own particular situation, then create your own initiative. He added that the work by al-Suri has been translated into Bahasa Indonesia. The work reflected a new trend that persons do not wait for central instruction, form your own independent small cells it is harder to detect, do your own thing, and the whole world would notice.

Prof. Kumar also explained about the military doctrine called from a famous Anwar al-Awlaki who was popularised through the English magazine Inspire that proposed doing the "Lone Wolf is okay, why must go to Afghanistan or Iraq for training? Your enemy is on your right and left, you can do your operation where you are." He further argued that with rapid technological advances, like the Internet that still moves on had provided and allowed the decentralisation of al-Qaeda in the Middle East. The newer development of the ideological Lone-Wolf idea that simply emphasises that you don't need to wait for central order from Iraq, you can do it where you are and this do-it-yourself was shaping into a trend. He argued that with technology, everybody can be self-digitalised to this [refers to mobile] and one only

had to own a mobile or access YouTube to be influenced. This he argued was really a challenging trend.

Prof. Kumar elaborated that is why some recent scholars' latest thinking on the matter of terror found that technology will be the defining characteristic of the next wave of terrorism. He added that the 'Lone-Wolf or lone operators' can become the significant players because of the Internet. There is freedom to access information from their mobile phones and cheap mobile phones, with Wi-Fi, or cheap Internet broadband access. He argued that everybody carries computer in their pockets now. He foresaw that the 'lone operator or lone-wolf' may potentially, according to some scholars, may employ Chemical, Biological, Radiological and Nuclear (CBRN) weapons and escalate the number of causalities possible. He warned that such was the trend which is worth watching.

Participants in Session 5

Prof. Kumar believed that terrorism will not remain static as it is a continuous phenomenon that evolve and mutate. Alternatively he pointed that in order to respond, government and civil societies must work together locally with a pro-government approach that importantly called for agencies to share information amongst each other. He concluded that with the emphasis across the borders, the cooperation with the partner agencies regionally and internationally must be up to pace with the evolving terrorists trends as to allow a mechanism to devise effective ways to counter its worst effects from the continuing new trends of terrorism.

Dr. Peter Knoope, Director of International Centre for Counter-Terrorism The Hague, Netherlands was the second speaker for Session 5. He began by asking the question as to whether the years of counter-terrorism have been successful globally since 9-11 or not and if it were not why so.

He explained who the al-Qaeda was before 9/11. He said that the al-Qaeda has been very strategic and very clever in the last 16 years. He noted that the success by al-Qaeda was about communication and messaging. Once they decided on something to say that was what they did. Dr. Knoope said that the al-Qaeda communication was everything as some of the attacks are meant as a message. And the message was simple, that the al-Qaeda was powerful, relevant, that they had messages for their situations.

Dr. Knoope further argued that al-Qaeda is more strategic than many may think. The strategic part he argued was their communication part and was their messaging part. The other strategic element of the al-Qaeda he argued was their reduction of vulnerability. He said that the al-Qaeda started as a vulnerable organisation, since their humble beginnings in Afghanistan and Pakistan their organisations had managed to spread al-Qaeda thinking and influences to the Maghreb and Yemen. Most of the extensions are franchises or organisations that wanted to be part of the al-Qaeda family because it was vulnerable – most had the message to the world that they were important and had something to say.

He argued that these franchise organisations wanted to be part of that bigger thing and it was attractive to be part of them. That structure became vulnerable they can reduce themselves to smaller units. Now he added, they are into new names such as Al Nusrah, ISIS, Ansar. He argued that it was new names for the same thing. He warned that the smaller the units became it was really difficult to infiltrate into even with a global effort.

Dr. Knoope said that it was difficult to infiltrate a very small unit and he argued that the al-Qaeda's reduction of vulnerability and increasing its effective communication was a strategic approach. He also explained that it was more attractive to many than we expected or hoped; at least he believed it to be many more than anyone may think. He added that the proposition brought by the al-Qaeda is attractive to many youths in Nigeria, Kenya, Mali, Libya, Syria, Pakistan, the Netherlands, Britain to name a few. He said that this was especially true for the people with no prospects. People who see that they have no future and that they have nothing else to do or those that they are in search of relevance. He explained that that was exactly what the al-Qaeda had taught most that there is something wrong in my country and then they brought that wrong to the international level. He underlined that the thinking then translates local grievances into "we are the victims" in the Middle East, Syria, Bosnia and everywhere which later translates from local grievances into international frames, communications, and the Internet does the rest.

He elaborated that as an international community governments have been struggling to resolve the issues and to find the right solution in producing a right strategic counter-terrorism approach. He opined that in doing so most of the governments had to struggle hard and unfortunately are losing and outnumbered. He also felt that kidnapping for ransom which amounted to almost US$100 million last year was very bad news to him.

He queried the participants of what can be done when almost all of us have no answers. His explanation was that although the world started the hard measures and the war paradigm, sanctions was imposed on the al-Qaeda and then on Afghanistan and Iraq. He added that there was UN Security Concil Resolution 1373 to allow international measures and in 2006/7 the world started to revise and rethink their strategies. In fact he added that the Global Counter-Terrorism Strategy 2006/36 was a very interesting document whereby the document touched about law enforcement and the new approach to terrorism. The revision has changed since 2006/7 although it was slow to change the existing war paradigm but still there was a chance to reduce the existing gaps. He told that although some of the 2006 strategic approach has been implemented but not all of them have been implemented.

Dr. Knoope added that when 2011 came the world had thought that all of the problems associated would be finished. He argued that be it the Arab Spring or Syrian uprisings, these events were not inspired entirely by religious extremism. He argued further that even when Osama bin Laden was killed, his decapitation did not work. He knew it from scientific research that decapitation doesn't work whenever there are replacement in the form of new leadership. He added that the new leadership in many ways usually tend to be more violent, aggressive and

agitated than the former one. Nevertheless, there still remains some measure of optimism.

He said that although there was in 2011 that brought us that decapitation of al- Qaeda new leadership, it also managed to draw the world to more ungoverned spaces like Northern Africa, Middle East and Yemen some of the most ungovernable places with all sorts of problems. He added that Syria today was the place where al-Qaeda got thousands of recruits from Europe, Northern Africa, and Asia, Eastern region to gather in Syria to be trained together ideologically, operationally and militarily. The training he warned is on going for tens thousands of people in Syria even as we spoke. Dr. Knoope looking ahead and beyond the conflict regions predicted that if left unmanaged then one day it will spread to any destination. Whether in Europe, Afghanistan and even Malaysia. He added however that although it was unknown they are getting closer to their next destination.

Since 2011 the al-Qaeda has continued to be strategic, in fact more strategic today than four years ago. Their recruiters go to places like Nairobi where the al-Qaeda has visited families from door to door and intimidate them. They would say in less precise words that if you don't volunteer your sons to join us, you will have problems. Dr. Knoope has seen this happening in Nairobi, Yemen, and Jerusalem and he believed and warned that it would not be surprising that it could happen within our region. He saw that some of the funds comes from Islamic fund raising routes where people have being asked to not only donate their money but also their sons.

Dr. Knoope left with ample hope but cautioned that hope must lie with the change of paradigm. He concluded that, there is a need to be rethinking the world's strategy approach against terror. He argued that the world may have to focus more on human security rather than solely on use of hardware against terror. He thought that human security was bigger because the public and the population feels that it is something more important to achieve in terms overall of security. He cautioned that governments should listen to the people, and be aware of what is being done by security managers. He added that, it meant that governments must give space to the population to discuss any important issues.

He was pleased to note that the Honourable Prime Minister Datuk Seri Mohd. Najib Tun Razak of Malaysia had the liberty to encourage talk among the civil society, to allocate space for dialogue in civil society which would be helpful. Dr. Knoope highlighted that once there was space and an approach for an alternative message to terror the government has to create the right proposition to its youth that competes with the al-Qaeda. He believed that youths are ready to receive the right message but he warned that the government needed to know what the right messages were in order to create a space to discuss the message. He added that this should also include the former retractors and victims into the inclusion of

dialogue. It also would be helpful if right ethics were adhered to in the political the environment and activities so as to evade extremism.

Mr. Thomas Koruth Samuel, from SEARCCT Malaysia as third speaker for Session 5

Mr. Thomas Koruth Samuel, Director of Research and Publication Division, Southeast Asia Regional Centre for Counter Terrorism (SEARCCT) was the third speaker for Session 5. He offered the participants both the challenges and the lessons learned in facing terrorism. He agreed with Dr. Knoope that in facing terrorism it was important to understand the message. He added that in the search for solutions he realised that people seem to have a very thorough understanding of what the message of the terrorist was because whatever the message was, it was always a very compelling message. He urged that participants must understand the enemy and the message that they bring with them. The question on how they had crafted the message he felt was far more robust and sophisticated than the messages we have delivered to them ourselves. Mr. Koruth suggested that the government must go back and find the root causes of terror. He advocated that we must understand why was it that when terrorists advocate killing some people respond. He added that generally it was not a human trait to want to kill or to be suicide bombers but somehow when terrorists spoke he explained, some people do accept.

Mr. Koruth thus suggested that governments need to develop counter-narratives to the narrative of the terrorists. He agreed that it was a challenge and by no means easy. But he added that for governments to succeed, it must be a better storyteller. He shared that in the interviews that they had with former terrorists they had found certain storytellers. He added that there was a need to construct mental firewall, as it was mentioned by Prof. Kumar earlier.

He explained that a mental firewall was basically like a 'firewall' in the Internet system to prevent spam from coming in. He believed that a government needs to create such mental firewalls in mind of its individual citizens to negate the message of terror. He explained that the people must realise that violence was not the way and preferably the government perhaps through education can help them achieve a certain level of critical analysis that may sway people from such extreme actions. He said that the governments must make the people ask whether there was another flexible way. They must ask the fundamental question as to whether violence has ever achieved the goal. He believed that governments need to instil the physical evaluation in an individual. If that was done then the countering of their terror myth becomes available. In short , Mr Koruth suggested that the government needs to go and expose the lies that the terrorist speak of. Many times he said that people are gullible, accepting what they say; there is no counter argument or debate on their position. He warned that so far based on SEARCCT investigations, the terrorist had gained some ground and as such insisted that authorities and the government should devise good strategies to overcome the threats.

He said that we need to provide the alternatives, as mentioned above. We need to inculcate people not to use violence and promote beliefs so that the people do not get engage in terrorism. He explained that when young people ask for alternatives there must be some because he noticed that most of the fear came from the younger people because they are more are idealistic and a little naïve. He said that they question inaction and ask why there must be suffering without any action taken against it; they cannot agree to see suffering and leave it unattended to. They question of inaction that they believe to make other people continue to suffer. As such he stressed that until and unless we can develop our own alternatives as the naives may seem to think that the only solution that was left was that of the terrorist.

Mr. Koruth added that we need to develop a solution that caters for moral success in the politics and what does not. Hence he opined that we need to be sure that the moral alternative the government represents actually works. That is why he saw that the government and authorities must have tools for monitoring and evaluation. He believed that it was no longer enough for authorities to be satisfied by just producing the programmes and having activities whereby these activities must witness that particular activity works and for that to happen, monitoring and evaluation was paramount and once the authorities received the feedback, the needs to reconstruct better arguments and models become more sensible to achieve. He elaborated that the government must extend their reach as he saw that many a times the authorities may have gone through one way and that way may have worked but it may not been wide enough. This he added might be due

to certain segments of society/ groups of people that were left out. Perhaps we need to think of Malaysian education institutions particularly on how to reach out to certain groups. Civil society and NGOs can do a fantastic job, he added and often times, they are the opposite of the terrorists, they are motivated by passion and the government needs to tap into that particular platform or entities.

Mr. Koruth warned that many a time religious organizations were hijacked by terrorist authority and he questioned the reason that we do not choose to partner the religious organizations instead and try to reach out to people and win them over. He argued that as authorities in security we are responsible to find out what works and what does not. He agreed that for that to happen there need to be tests and necessary change. He warned that in reality it was a race between the government and the terrorist to win the hearts and minds of the people and time was of essence and many a times with the opportunity that was available to governments around the world there was actually an opportunity for like minded people to form a community which was necessary and critically important. He said that the government needs to understand that time and the terrorists wait for no man, if we do not act the terrorists would.

He emphasised that people in security need to listen more because they speak to a diverse crowd; to diplomats and young people. He admitted that one of the things that he had learned was for him to listen more than speak. He said that it was simply because they can give us insights, ideas, thoughts and perhaps solutions. The problem was that if we were to assume at that point we are the expert of a particular subject matter, we might close our ears from listening to what others have to say and in order for others to listen to us he believed that we must show that we are listening to them.

He explained further that there have been some lessons learned in his experience counter-terrorism. The first is that we are preaching to the wrong audience those already converted to our side. Thus he argued that we are actually re-telling people who already know that the terrorism was not good, twice which was pointless, a waste of resources and time. He urged that the authorities must seek groups of people which do not agree with our points of view. They need to be discovered and engaged. SEARCCT he added does this and must warn those who would endeavour that it would be an extremely painful and difficult experience. He shared that when SEARCCT engaged with that particular group, they knew that the pain was an indicator that we had gotten the right audience also importantly he added that when he kept up his engagement with them, and were told what was in their minds, they had to be honest with this. He reminded the participants those who oppose need the space to say things out. Thus he encouraged that those involved in the exercise of rehabilitation to understand that if their target group are silent, he opined that these were the groups of people who should given the chance to express themselves.

Mr. Koruth found that in his experience of trying to convert the naive, he made mistakes. He found that the authority involved in interventions need to understand the reality in which they are in and how it is that mistakes are inevitably made. He gave an example where he used to engage with young people, whom he thought would understand his content of counter-terrorism, while thinking that they would understood the message of the terrorist as he did. So he naturally thought that they were the best people to persuade the younger people against the error of terror. But he found that when he tried to connect with the naive, he did not get a good response from the young audience.

In fact his mistakes in delivery were readjusted by the help of youth workers who commented on his modules. They said that the lectures to young people given by his division were initially horrible not due to lack of content but by lack in approach. He got feedback that a lecture of two hours was something that cannot be expected to be enjoyed by the young. He was humble to admit that he got better from help rendered to them from their honest mistakes. Unfortunately it took them a long time to rectify the mistakes because for the first one to two years they did not know that we were making mistakes in the first place.

He admitted that mistakes were made but the worst was when it was allowed to continue. He suggested that in such circumstance there was always the need to be very careful to check that those counter-terrorist programmes and activities presented to the target audience was mistake-free. He added that lessons can be taken from other industries like software companies, Microsoft. Microsoft he said when launching a product always had a test version on hand. He suggested that security practitioners should learn from these individuals, if they tell us, they will test the version out soon and when they give their feedback, we would have a mechanism which may be instituted so that we are able to receive feedback very quickly and act appropriately to identify, amend, change and roll out much sooner. Mr. Koruth said that this was the business model that was certainly something to learn from.

He explained that in the Malaysian contexts it was very important to go to the grassroot level or *turun padang*. He said that if people really went down to the target audience level, be it in villages, schools, high schools, universities, it would be better to go though the "gatekeepers" who are essentially the people that provide access to the audience or people on the ground. He warned that if authorities are not careful and bypass them, things will get difficult from his first hand experience. The important part he added was that the gatekeepers can help us to monitor, evaluate, and follow-up on the target audiences. Nevertheless he cautioned that in the act of *turun padang* those involved must be realistic. He admitted that his organisation cannot be in the situation completely 100 percent at all time but they understood the importance and function of gatekeepers. He suggested in

order for any other organisation to have effective collaboration, coordination and cooperation from these gatekeepers they must be humble because only then can we tap into their expertise. He gave an example when they had to work with under-graduates; they made sure that they got the university lecturers and authorities to work with them. He said that the insights of the gatekeepers had given them was tremendous. Importantly he noted that they are able to follow-up when we wanted to interview terrorist detained, we make sure we work with the police for they have tremendous insights and experience on terrorist under them, and they can tell us things that are significant.

Mr. Koruth said that in the execution of their duty they need to be humble. It was to seek help and form alliances with most of the people that they engaged with. He added that humanity was something which was rarely associated with counter-terrorism. As such they have realized that there was a finite amount of knowledge that we may know, and although the knowledge might be ahead of others he stated that the need to seek that out and form alliances must be done in order to re-start our counter-terrorism efforts. He landed that example of the Malaysian police working very closely with prison authority in rehabilitation and told that Malaysian rehabilitation records were tremendously positive. This could be the example of being humble, seeking help and forming alliances. On the other hand he told the participants that we need to outsource for help. He explained that there are several experts in the field of pedagogy. If we are to train them by ourselves, it would take time and he feared that many things could happen within that period of training time. Another option that he had suggested was to get the experts who already know how to teach and lecture for example, new youth workers and youth specialists. He added that religious leaders may be another source which could come in and help. He explained that it was done in SEARCCT that actually took their draft, and went to the religious authorities who knew religion better and was asked assistance and the input received from them was tremendous.

Mr. Koruth pointed that there must be focus in every endevour. Importantly also, he believed that authorities must take ownership of the problem and it would often mean that we ourselves must do our part. He supported the proposal made by Prof. Kumar that the whole government and society approach and a whole of community approach were needed. He gave an example of an Australian lady by the name of Irene Gleeson who in 1992 sold her possessions and moved to Uganda just to set up an orphanage for children. He said that today, Irene has 7,000 children under her orphanage simply because she decided she would do her part. He argued that many a times the government make the mistakes by thinking they should have something which was massive but as the terrorist had shown resilience in their execution of terror that is one /group/unit as the 'Lone Wolf' can prove to us

that as one person can do tremendous damage, so conversely one person can do such tremendous good.

He explained that we have to be creative because based on his experience approaching and speaking to the young he is often asked whether he could make the messages presented in his lectures less boring and scary, with too many objectives. Upon reflection he said that the government or authorities have perhaps only one way of presenting something. But he noted that from feedback he had gotten, SEARCCT were beginning to learn that there are tremendous ways. Mr. Koruth in his search to deliver the right and potent message had connected with the Public Study Director to film a short movie on consequences of violence where it had shown the tremendous suffering and pain that a mother had to go through when her son was assassinated by a suicide bomber. He explained that in that short 5 minutes video, the results that he received was far better than his own two hour lecture on the consequences of terrorists' violence. He suggested that authorities in the business of intervention must find new and better ways with the creative sector in order to present our messages in a creative manner and meaningful manner.

At the end Mr. Koruth stressed that there must be avenues to develop alternatives to curb violence. He added that we must present the consequences of violence and we need to show people that there are various alternatives to achieving an end. He shared that previously after lectures people would come up to him and say that before they had believed that violence was the only credible option to change things. He pointed that governments must show that things can change through other political means and they should avoid being stigmatised as No Action Talk Only (NATO) by the impressionable young.

Supt Mohd Zaini Akhir from Royal Malaysian Police as final speaker for Session 5

Supt. Mohd Zaini Mohd Akhir, Special Branch Counter Terrorism Division, Royal Malaysian Police, Headquarters was the last speaker for Session 5. He began by outlining and sharing the operational aspects of counter-terrorism in Malaysia. He spoke on law enforcement and activities that were related to enforcement. He explained that RMP had two kinds of approaches; one was the "hard" approach which involves operation against the Syrian terrorist network, financial, security support and the whole structure of the terrorist cells in Malaysia. On the other hand, he told that they had other programmes/aspects, which were considered as the "soft" approach which was focussed on the de-radicalisation and disarmament process that had been done in the past 6 to 7 years and has proven to be successful. As such he would like to add more on what the other speakers had said earlier, especially on Mr. Thomas comments about the kind of engagements that were available, he agreed that although we can speak louder but the target audiences may not hear and if he had extra time he would like to touch on it at the end.

He explained that we have threats, progress and challenges as was mentioned by Prof. Kumar earlier in the Session and admitted that the challenges kept morphing. He added that although today enforcement deal with terrorism and the usage of guns, he suspected in the future we will see terrorists use the latest technology - a 3D printed kind of weapon or something that we have never heard of before. The 3D printed weapon can be made out of plastic. Thus it can pass through any sensor machine at any airport. Later be used lethally although this was something new and have not been seen yet. Hence the use of CBRN or any self improvised explosive device had become more sophisticated. They may include those dual kinds of technology or chemical technology that may later be turned into weapons. He added that the RMP weeded and watched people with technology know-how in the known technology and if it were to go astray, they would be after it.

Supt. Mohd Zaini added that there are possible operatives that may operate in Malaysia and as mentioned by the previous speaker the enforcement bodies of the government also have special de-radicalisation programmes that were vital in the curbing of terror. He said that the terrorist treat in Malaysia has been reduced and have been put under control because of the persistent law enforcement effort. He added that the RMP were not the only ones working and he applauded the fraternity that had worked together in achieving the overall success because the law enforcement aspect in counter-terrorism was very vital and important to security. He praised everyone that played their part in countering terrorism, let them be prison officers, immigration officers, custom officers, the media, the Non Governmental Organisations in their help to influence a better outcome to security.

He noticed that some people have been influenced and was interested in going to Syria but placed the condition to what had happened in the past. Even though

Malaysia has a good approach to counter the threat of terrorism trend in Malaysia among the populace, the onset of foreigners that are associated with various international terrorist groups forming small cells/groups here in the country try to match their truths or idea to recruit new members/operatives that were naive.

He gave an example of a Syrian person that was supposed to do his PhD in a Malaysian university, but he did not. Instead this person used his house to conduct secret meetings every Thursday of the week. The RMP found out that the Syrian managed to gather 100 people that may be converted into his cause. But he noted that the RMP took action before it went further and it was decided that those involved must be arrested and those who were foreign would later be sent back to their countries of origin. Thus Malaysia too has its share of international radicals coming from Yemen, Iraq and any others. They may be looking to salvage old and make new contacts so that perhaps when they finally go to Syria, they would not be alone and would have friends there. He elaborated the it was not difficult to go to Syria, all one needed to do was to get an open ticket to Istanbul, Turkey, and then cross the border to the Hatay Province before you are in Aleppo, Syria.

Supt. Mohd Zaini elaborated that when talking about terrorism threat, Malaysia is also aware of the evolving treat in that there was an attempt to blow up an Air Asia plane bound for Abu Dhabi. But through active surveillance the RMP had arrested them before it happened as it was RMP stance that we cannot wait for them to do it. He added that even the body guard of the deceased Osama bin Laden was known to have been in Malaysia and many other al-Qaeda activities here in Malaysia that was nipped in the bud but kept out of the limelight.

He pointed that in the Malaysian context, admittedly some people were attracted to 'jihadism' or 'global jihadism' that managed to obsess some minds to those kinds of thoughts and matters and we faced the ideology and the agenda of extremism but there were no terrorists' incidents in the country. He explained further and gave some examples of Malaysians trained abroad and their leaders like Dr. Zahari, Noordin Mat Top and Mohd Noor Fikrie who was killed or arrested since the last few years. He added, the number of Malaysians that had military training abroad were 102 people, while those involved in jihadism so far amounted to 20 or more people. Supt. Mohd Zaini in fact believed that more and more are preparing to go; while those arrested abroad amounted to 30 people.

He further elaborated on what happened to those Malaysians who got involved in 'global jihadism'. We have three operators he explained, that have gone in hiding in the neighbouring countries. On was known as Marwan or Zulkifli Abdul Khir after the assassination of Dr. Joe Fernandez, he escaped and now is operating somewhere. Meanwhile he added that we had two people who were with the Abu Sayyaf, one Jeknal Adil and the other Mohd Amin Bacho. We have arrested Jeknal Adil who was part of Abu Sayyaf while Amin Bacho was still free. He explained

that back in 18 October 2012, two Malaysians were trying to sneak into Syria, but instead they were arrested in Peru, South America. They were denied a trip to Adana, Turkey, so they reversed to Europe and came back to Peru then Lebanon, hoping to cross the border. But were arrested again by the authorities and they are still awaiting trial there. While in Southeast Asia/ Malaysia, the authorities are facing against the 'Daulah Islamiyah Nusantara' establishment that was still intact.

Supt. Mohd Zaini agreed with the previous speakers that today the Internet played a role in radicalising people, especially through the social media and other sites that are online. He elaborated that these days, a person can learn how to slaughter people through the Internet, learn to use fire arms and make bombs. All of this through watching the material through a screen and cutting onions in your kitchen. Technology has made it a possible to influence people though a means that can evoke feeling associated with violence or sympathy which was now available through the Net. These were the things that may increase the emotional fire or anger about the things that was happening around the world. The battle was in the open media and as such the battles must also thus be won through the media. He added that in the international arena of terror by the Liberation Tigers of Tamil Eelam (LTTE), the RMP had arrested Selvarasa Pathmanathan the head of command and all the important logistical head for LTTE and since then he has returned to the government of Sri Lanka.

Elaborating further on what Mr. Koruth had said earlier Supt Mohd Zaini agreed that Malaysian authorities have so much of power on rehabilitation of perpetrators but so far what was used most was the power of engagement. The key to long

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term success was on how we may convert someone who was hostile to us to be our friends. He said, these are the things that we do. These showed that we have to make good of those arrested. He added that Malaysian rehabs start early and hence the arrests must be quietly done. Then we feed them and move on from there where more engagement would be done. The clerics are then brought in to help them realise their erroneous ways. The clerics brought in to rehabilitate however must be experienced in religion. The pertinent thing was that the cleric must be experienced and neither was it necessarily that these clerics came from the government. It could be even the local clerics so that they have the same value with these people.

Supt Mohd Zaini said that after being released from rehab there was always a follow up visit done to see their condition. Sometimes some of them had fallen sick, some were out of jobs or waiting for work, others facing problems and usually the relevant authorities would come up to them any try to build up a bridge to help them. He stressed that if the negatively influenced people are tackled nicely, they would return the favour and if you were rough to them, they can be very loud. So when they were sick, people would be sent to visit them. He then gave an example of an ex-Darul Islam member that met a road accident of whom enforcement officers were sent to visit the injured. He summarised that for the reintegration programmes the gist of the many courses to tell people that terrorism is not good and this kind of ideology should be avoided. The programmes also had helped them become educated over how they can identify early signs of radicalisation. In conclusion he had supported the calls for more international collaboration in as much areas as possible. ■

A Session 5 group photograph with distinguished moderator and speakers

PUTRAJAYA
FORUM 2014
Defence and Security Forum for Peace

Chapter 8

Session 6
Influence of Non - State Actor: Impact on Global Security

MODERATOR

The Honourable Datuk Abdul Rahim Bakri
Deputy Minister of Defence, Malaysia

SPEAKERS

HE Mr. Gotabaya Rajapaksa
Secretary to Ministry of Defence and Urban Development, Sri Lanka

HE Mr. Boguslaw Winid
Undersecretary of State for Security Policy/Deputy Foreign Minister, Poland

Prof. Datuk Dr. Zakaria Haji Ahmad
Deputy Vice- Chancellor (Research) at the HELP University, KL, Malaysia

Colonel Arnel dela Vega
Senior Military Adviser to the Secretary of National Defense, Philippines

Session 6
Influence of Non - State Actor: Impact on Global Security

HE Mr. Boguslaw Winid, Undersecretary of State for Security Policy/Deputy Foreign Minister, Poland was the first speaker for Session 6. He began with pleasantries to the government of Malaysia, the organisers and participants. He was happy to speak and had found the invitation an honour as it would allow him to present to the forum a Polish point of view on this challenging issue everyone was facing. He added that it was fortunate that that the topic today was very relevant and current. He added that the modern warfare angle now was more a confrontation between states and non states actors of different proponents. In fact he joked that in the

recent take of Ukraine, some of them can be described as a no name army and that they were without insignia, no clear identification. Today, we discovered that there was a new phenomenon of major groups that approached neighbour countries and spread mischief in order to change borders.

He explained that his presentation would concentrate on three separate cases or incidences. They were similar in some aspects and different in another but the idea was not to over generalize the problem. He then gave the outline of his presentation and some important points to be highlighted on Syria, Ukraine, and Afghanistan that share a vast distance between them, a very different environment between them and finally that had very different circumstances against them. He argued however of all the differences in the Asiatic conflicts there were some things that were common. In that the conditions were challenging because some of those trouble groups came with no direct link to any known forces or had no known affiliation to normal forces or the forces that came were from unknown sources in some instances.

He said that in the beginning of this century the United States, Europe and Asia was effective in maintaining peace and order as compared to those in Afghanistan, Iraq, Libya, and Syria. He elaborated that the recent conflict in the South Sahara, Africa had involved non state actors which do not associate themselves with any legitimate government but instead they demonstrated less or more likely political or religious affiliation. The new ambiguity, he argued was caused by cases like the Ukraine that was most current one. Where the majority of those forces involved courted the minds of people towards their deeds but it did imply a difference in tactics and tools that we might be used to.

He added that the new tactics displayed had the face of the mass media and social media. The part that that wanted to derive from the public a sort of obedience and capture their minds and service them with emotions and perceptions that was enough to attain an unlimited strategic condition that had moved it away from the traditional battle field to an altogether a new battle space. Since the rise of such developments, he had argued further that these multifaceted and sometimes natural conflicts make us ponder on whether we should go beyond traditional conceptualization of security or stay put in the old order of thinking. HE Mr. Winid added that he was of the inclination to agree to the discourse. He elaborated that during the cold of war, there were usage of codes and words of the times had actually created the way people thought about the realm of security defence. It could be said that since we have modernised so we had to upgrade this locked up ambit of security that made more sense than the old outlook or perspective of traditional defence.

HE Mr. Winid referred to Syria and described the situation that led to the escalation of the conflicts. The conflicts started with peaceful demonstrations against the Syrian's regime Ministry but it soon got out of hand and the conflicts escalated further into a right out open war between civilians. The point now had reached a sight of what can be described as a very tragic civil war with much causality. He said that for the international community the immediate and potent question was whether or not to intervene in the internal conflict. The difficult part was especially on how to aid the Syrian people. The question in Europe was whether we should openly end the opposition fighting for human rights and the rule of law. The other tight question was on whether universal values required intervention of the situation. He told that the question was most difficult to answer because when the international community namely Europe looked at the structure of the forces there in the conflict it was clear that there was no clear chain of command, no clear structure and organisation that represented overarching Syrian justice.

He explained that there were many groups involved and each was quite isolated. So that when the conflict was analysed a year ago it was actually very difficult to establish or determine, who it was and where or what were the chain of command was. He admitted that that it was difficult to think and act on what could be dealt as regular forces or what could be a guerrilla force. It was also difficult to determine what the numbers were, what the area of operations and what the ideological identifications was. He said questions like was there any central command? The differences in uniforms, different weapons, different logistics different training and different doctrine did not make thing any bit easier.

He added that in Syria since the civil war developed and intensified they had observed an influx of the irregular types of forces from both side of the spectrum. He said that the main idea of the international community in such a conflict situation was to bring both sides to negotiating table. Instead he explained that in the regions concerned in Syria proved extremely difficult to negate, especially when there was no clear structure or dimension to come in discussions with. There were some units or groups with discipline and were responsive to commanders while others were more of a mess in terms of their armaments with them and the tactical skills they had with them. It was found that there were various groups of the militias that came from very different sectors of Syrian society.

He said that some were secular and religious while some tribal and urbanized and there were those that were educated and less educated. It was expected that such groups of former military men and civilians that were expected to grow in numbers. These were the few things and scenarios that faced by the international community. The first case was the involvement of international fighters or

international volunteers some of whom were from the Caucuses while some came from European countries. There were the big questions of their legal status when the conflict ended. How would the international community be responsible for them when the conflict ended? Are they allowed to return back to their respective countries after that and he expected it to be an important security question posed for all of us.

HE Mr. Winid added that the second even more problematic event for the international community was the use of chemical weapons in Syria. HE Mr Winid emphasised that since the advent of the 1st World War and the Iranian war, this was the first time chemicals weapons were used. He was glad however that nowadays the international community have developed precise programs in order for chemicals weapons under its control to be removed swiftly. But under the circumstances the international community can be glad that people involved in the operation were cooperative at least from our understandings. So if the chemical agreement was possible, we hoped that in this case there would be some compromise and in the third round of Geneva talks and produce better results.

He explained that what had happened to Ukraine over the last few days was an example that we could see all kinds of events developing before our eyes. We can see from television that almost every day. The conflict involving Ukraine and Russia he argued could be changing the European global politics. He mentioned the capability of the times made security issues available for discussion through blogs. He brought to attention that openly the materials looked at has quite a new phenomenon when men and women in uniform was made unknown through the disuse of insignia. He added that the autonomous of Republic of Crimea and the administrative separated municipality of Sevastopol are both populated by a majority and minority of Russian supporters. He added that on 26 February 2014, a no name forces   gradually took control of Ukraine sovereignty and the Russians claimed that the uniformed men were local self defence forces of Ukraine but they were to reporting in the media that Russian military personnel might be involved. These armed but unknown forces had seized the buildings from part of the regional administration of Ukraine and the regional government offices such as airports; they also blocked the some Ukrainian government controlled centres.

HE Mr. Winid said that in the case above, it was quite interesting that official statements for example by the Russian president had openly dismissed any Russian involvement. Despite actual unfolding events that showed that there were on the ground unknown forces, modern weapons, sniper weapons and the most modern machine guns used by Special Forces 1205. He added that there was good reporting noticed on the events by the New York Times and the BBC on 27 Feb 2014

that gave detailed coverage of the events and the people that lead the actions. It discussed the motivation and preparedness of these unknown enforcers.

HE Mr. Winid explained that the events in has several unanswered questions. He noted that one of the question was of course, how should international law treat such militant groups. Evidently, he argued that they would be qualified as organized criminals, a group that could break and abuse the laws of an independent and globally recognized country. He added that in the crux of the matter was not just about a breach in a globally recognized country but was about the international law being crossed and abused. Despite all the arguments he believed that the strategic consequences were directly affecting Ukraine. He said that when an unknown party, state or otherwise decides to test a new concept of conflict aimed at protecting a portion of people in the same language while solidifying influence in the immediate neighbourhood of a foreign country, the results may be unlawful.

He added that this new development which was still developing was something really important for Poland and for the international community. The trick was to find a new way to overcome such conflicts towards such actor in that the world may deflect war and which the biggest security challenge in Europe after the fall of Communism. He admitted that Europe never had similar scenarios and did not expect that the events in Yugoslavia and Georgia were something to be repeated. But it was generally believed that when a country wanted to change its borders internally it should not be forced or be manipulated to that end. He believed that this was one of the principal states living in the current world order should stick to. It was this very basic and generally well served principal. He gave the example of Afghanistan where Afghanistan was not in peacekeeping corporation although the eyes of the peacekeepers when they wanted to establish peace there. The main role of "soft eye " was to assist the Afghan government and the Afghan people to establish a secure and stable environment in the country. Now we are approaching to the end of the 'eye soft'. He told that the end would mark for Afghanistan an end of an important period in the nation's history and the history of those countries that had participated in the operation. He admitted that Poland's involvement had caused a change in the overall Poland military philosophy and their particular doctrine.

He believed that it was time that the international community came to analyze the chemical threats that may emanate from the new entities. In Afghanistan he told that Poland faced many non state actors and a political opposition but the centralized structures of guerrilla forces and some of them remained opposed to intervention. Poland wanted to establish a peaceful environment and understand the complex reality of the environment. For the first time we realize that both

politic player and civilian military must sit together and set an achievable objective from the very beginning of their operations. Well this mission was conducted in a very complex environment lack of governments' true economy powerful back up infrastructure and ethnic divisions. Now a new comprehensive approach to their problem was needed. In cases that involved not only military operation, it was called civilian operation for our military.

He added that if one could go to the lessons learned, Poland had a good opportunity to present and analyze the lessons learned from all sorts of technological perspective in military technology since hundreds of thousands if not millions on tones of equipments has been used in Afghanistan's conflict over the last 12 years. Some of the military equipment kept had passed the tests and so in the aftermath a completely modernized Polish armies had managed to develop new capabilities for itself.

There were almost 20,000 troops involved in operation in Afghanistan where the biggest deployment was 26,000 but now it was reduced to about 1,000 troops. From 2012 to 2013, Poland had used very different ornaments where using different equipments participation had convinced us to change and improve much of them from the very basic uniforms to the advent of the most advanced equipments and most advanced weapon system. HE Mr. Winid shared that with the lessons learned in Afghanistan, they have pledged to Afghanistan roughly 130 of Armoured Personal Carrier (APC) named (ROSOMARK) which proved to be an extremely effective and efficient vehicle.

The other learning experience for Poland was the use of the UAV's. It was the link that was very important key that linked the commanding officer in real time and have the overall view of the place of battle. Now UAVs are also gaining popularity in Asia and Poland are also developing more products in this line. Meanwhile he added that Poland was also looking ahead at other lessons for that would be game changing, Poland would change by introducing new assault rifles, modular systems that will vary from the standard NATO 5.56 mm calibre. Poland would also introduce various optoelectronic system and devices especially monoculars which that would allow any troops operating in night conditions and in their future plan to implement the 21st century soldier which they call the 'titans soldier' of the future.

He added that with all the elements that he had mentioned, fighting terrorist against regular forces was different as the new militants had no names, and their resources was not only limited to the battle field. Traditionally the role of the regular forces was the protection of territory, now it has included the protection also of buildings and facilities that some years ago were done without the use of chemical weapons. He believed that in today's environment, we cannot exclude

that chemical and biology weapons will not be used by such new terorist troops. Poland was working to develop their automatic detection system for chemical and radiological contamination called ASDS24/7 that would protect the forces, bases and buildings right from the airport to the towns and this was a new way in trying to modernize our forces.

In conclusion, he said that the new world related conflicts will now more increasingly involve those with no name actors, especially in certain regions of the world, whose people are affected by confrontations in which the roots of provocation came from religious violence and sometime environmental degradation or mass migration and regional instability. He said that the answer lay in technological advantage and skilful leadership to fight this new phenomenon of which Poland is to trying to implement. HE Mr. Winid believed that only through skilful leadership, coupled with the advent of new and better technology can one usually determine the result of any confrontation. As such it was fundamental that governments relook carefully these new realities in drawing up defence policies.

Participants of Session 6

HE Mr. Gotabaya Rajapaksa Secretary to the Ministry of Defence and Urban Development of Sri Lanka was the second speaker for Session 6. He began by thanking the sponsors and organisers of the forum for the opportunity to present and share the Sri Lankan experience against terrorism. He said that it had given him an opportunity and those involved in defence and security to listen to the Sri Lankan experience. This session examines the influence of none state actors and their impacts on global security. He added that the contents discussed over the last two days were to strengthen security and regional stability. In today's context the subject required considerable attention to the emerging threats. And Sri Lanka as a county that suffered for three decades of rootless terrorism believed that there was a great deal of experience with non state actors described by the US Federal Bureau of Investigation (FBI) as among the most dangerous and deadly extremist of the world.

He added that terrorist emergence had cost more than one hundred thousand victims including President of Sri Lanka, a former prime minister of India, Sri Lanka Foreign Minister, Defence Minister and many other politicians at state level of Asia's including most moderate Tamil leaders and less than tens of thousands of civilians. Extremist elements within the national level were mobilized by the Liberation Tigers of Tamil Eelam (LTTE) operating as front organizations in more than 30 countries all over the world to help fund terrorist activities in Sri Lanka. Fundamental to the Ministry he said was the task of countering the negative propagation brought by the LTTE. A concerted and planned effort was carefully orchestrated and the

propaganda campaign that involved information against the extreme claims that was placed at international community scrutiny about what was really happening to Sri Lanka.

He said that the fear that was created by the increase of illegal activities including various types of frauds, smuggling of narcotics and illegal acts to be used for fund raising. Excess funds are then used to fund business ventures. The operations provide a warning and an illustration of what the non state actor can achieve over the years. The formidable networks had become connected to various sources from all over the world and are able to get all calibre of artilleries, heavy and medium mortars, anti aircraft guns, armoured vehicles, lighter aircraft, rockets, grenades, machine guns, small arms and high explosives and even land mines.

Such items were transported to terrorist shipping network that comprised more than 20 large vessels and a considerable number of strollers registered under different flags and these ships used harbours and ports of many different countries on the pretexts that they were transporting normal cargo using unlawfully means. There were crew members with cargos that travelled under assumed identification using passports of different countries. Then several large vessels anchored themselves in international waters near Sri Lanka's shores. The ships functioned as floating warehouses that horded the smuggled weapons. During the major operations Sri Lanka on several locations had to locate and later destroy these floating warehouses. The success of which helped Sri Lanka curtail the terrorist offensive capabilities.

HE Mr. Rajapaksa elaborated that the non state actor can mobilize many things and successfully utilizes a global network in order to strengthen and sustain terrorist activities against a nation like Sri Lanka. The establishment of such an effective network involves the setting up of terrorist cells in a number of countries and that this should take place virtually unmanaged across the globe was a serious threat to security. Even today although terrorism had been defeated in Sri Lanka, it was believed that the overseas network continues to function normally unhinged. It continued and was sustained by international propaganda campaign against Sri Lanka through front organization that has now put on a demure democratic face. But he explained that   some nations seemed to turn a blind eye to these front organizations and their activities because they tend to support political activism or humanitarian relief at the same time. The operatives abroad were mostly trained terrorist remains a lingering threat that involved various illegal activities. At the same time those trained terrorist were constantly seeking to invite more terrorist activities in Sri Lanka.

In addition to the state being stressed by non state actors or their global network, he pointed out that there are security considerations to be looked at and kept in mind as the likelihood that the resources of one non state actor can

be used also by other groups for different purposes. Thus it should not be taken lightly. Furthermore non state actors have shown a capacity to learn quickly and others use the tactics to exaggerate their influence. The Sri Lankan experience with the LTTE he explained was the first terrorist group in the world to use suicide high explosives wear draped with a long jacket as an effective weapons against its targets. He added that such tactics had been duplicated by a number of terrorist organizations around the world. The LTTEs use of high explosive vehicles in attacks against civilians has also been replicated by other terrorist groups and the tactics of using bombs for terrorist attacks that was pioneered by the LTTE in 1990s. Such tactics was also used by Al-Qaida against the US in the year 2000. He added that the cross fertilizations of ideas among non state actors engaged in terrorism was a considerable concern from the point of view of global security. He elaborated that apart from terrorism and arm trafficking, the most serious activities by non state actors in today's context included people smuggling, narcotics trafficking and piracy at sea. People smuggling was a serious issue affecting the Asian religion as well as many other parts of the globe.

HE Mr. Rajapaksa pointed out that the illegal activity had flourished due to economic reasons. Large number of people were said to leave their countries of origin and migrate illegally into developed nations from 2009 to 2013. In all, there were 88 boats arrested by Sri Lankan authorities transporting 4273 migrants out of Sri Lanka. In many cases Sri Lanka also contended with mid sea rescue of people smuggling vessels originating from various countries which were headed to Thailand, Malaysia and Australia. In addition to that, there were 1350 illegal immigrants from Sri Lanka that had been reported to Sri Lanka by other nations for the last 3 years.

He added that people smuggling had become a lucrative business for organized criminals that painted a false rosy picture about the legal immigrant's lives in other countries. The smugglers tend to leave out the dangers and restrictions of entry to the countries of destination. Those smuggled often find themselves in serious trouble, after having sold or mortgaged their properties back home and gave in their entire savings to the smugglers. Usually those smuggled end up in terrible conditions onboard unsafe vessels along with hundreds other illegal immigrants. Sometimes these boats fell into serious difficulties and threatened the lives of all on board.

If the passengers were rescued or intercepted by the Navies or coast guards of other nations, most of the breached nations face the problem to accommodate to them. Quite often the legal mechanism for dealing with illegal immigrants was cumbersome and time consuming in the countries that was targeted. Ultimately most of the illegal immigrants end up in a temporary place of stay determined by the authorities or if they were less fortunate they had to stay a very long time.

Until eventually a report was created on them to settle in a third country. The links between people smuggling and other transnational crimes carried out by non state actors remained a matter of big concern from global security.

HE Mr. Rajapaksa said that much of the people smuggling activity that had taken place out of Sri Lanka had involved the LTTEs international network. This was a lucrative business as those involved charged thousands of dollars per person and the ships used transported large number of illegal immigrants to international waters and to other nations and other regions like East Asia, Europe, Australia and Canada since the end of the war. In addition, the terrorist agenda was especially disturbing because it had trained a lot of terrorist and other criminal elements to escape domestic security.

Non state actors also entered and trafficked narcotics in Sri Lanka. He emphasised that it was another serious concern in today's context. Although narcotics smuggling used land lines, the risk was greater at sea. In the increasing cooperation between nations and the greater counter measures taken by various states to obstruct the planned routes for drug trafficking had made the use of sea routes more enticing. Some African ports he added were emerging as Trans shipment hubs for drugs. The criminals used fishing boats, especially modified ones. Nothing was left unexploited, containers, cargos to transport drugs found their way into legal containers that harboured medicines or other legal goods.

HE Mr. Rajapaksa had identified that most regions suffer the increasing dissemination of narcotics. Thus, the enforcement forces used for detection must be on high alert on matters concerning drug trafficking in these recent years. However he believed that this remained a serious problem that needs to be addressed by many nations. He said that the issue of people trafficking generated from such drug trade also lead to terrorism and other transnational crime. The solution to money laundering, the trafficking of weapons, people smuggling and drug trafficking was to increase cooperation among nations. He added that more effective sharing of intelligence between countries increase coordination between law enforcements agencies and the relevant government departments. The establishment of authorities responsible for migrant issues and mechanisms was important to resolve the issues cooperatively between nations. The situation would be more critical if the worsening situation could not be prevented and countries cannot effectively address transnational crimes together. Sri Lanka for its part has worked closely together with Australia on the issue of human smuggling. The deterrence exercise had included efforts to discourage illegal travel through advertising, campaigns and public awareness programs. And at the same time Sri Lanka deterred problems by ensuring surveillance, ground patrolling and sea defences is in order.

He had added that in recent years there had been a decline in people smuggled out of Sri Lanka after the Sri Lankan government has worked with the government of India on patrol agreement and maritime cooperation. The success brought by this agreement made the two governments consider on the expansion of maritime cooperation up to the Mauritius. The cooperation would include the sharing of information to enhance maritime awareness and other related technical cooperation. This includes coordination of maritime vessels concerned with search and rescue. The cooperation on curbing the illegal activities like drug trafficking, people smuggling and sea piracy and the rise of Somali pirates in and around the last decade helped trade.

He explained that incidents of Somali based pirates attacking passing ships and taking crews as hostages had become common in the Arabian Sea. Thus, the range and the coverage of the pirates began to increase significantly after they had used mother ships that help transport smaller ships to attack and capture commercial and fishing vessels. The ransom demanded and paid for the release of such ships and their crew increased overtime as did the physical post by the pirates which lead to considerable pressure on the international shipping industry. However as a result of the international pressure and the other working mechanism, the Somali pirates had been reduced in recent years. He added that in the counter piracy operations conducted by various multinational task forces they had found that one of the prime causes of this downturn in piracy incidences was the increased presence of armed private security teams on board with merchant vessels. HE Mr. Rajapaksa was pleased to inform the participants that Sri Lanka was one of the countries that had taken the lead in providing such security services. The government created a maritime policy to fully strengthen security companies with weapons and for the private maritime security companies to engage in onboard a vessel for security duties.

Later he added that in order to curtail the increase in abuse the Sri Lanka government made a private-public partnership with the local anti pirate Security Company. Sri Lanka started to provide vessels with onboard security teams which included Navy personnel with considerable experience in conducting attacks at sea. So the Sri Lankan government provided considerable logistic support for onboard security teams from other nations which was subject to Sri Lankan regulations and strict supervision. In summary, he admitted that the upholding of national, regional and global security was a tremendous responsibility. He believed that adequate safe guards were required to ensure better results. He opined that in curbing the growth of non state actors, the most critical strategies that nations can employ was to increase their cooperation with each other though effective mechanism. He was hopeful that the several points shared could be used during the rest of this session.

Prof. Datuk Dr. Zakaria Haji Ahmad from HELP University was the third speaker for Session 6. He said the topic that addressed the impact of global security from non state actors was relevant. He added that he would talk rather briefly on the subject and for the rest of his presentation; there were two things that he wanted to address. One, what do we mean by the topic. Second, what was the current global security situation.

He explained that 'non state actors' was a term or concept that was problematic when one looked at the Malaysian text books on strategic studies and international relations. Despite the opaqueness he would try to explain the concept. He added that one should be very clear as to whether or not 'non state actors' could fit into the genre of what we call 'state' and what constitute a 'state' as he thought was not usually exclusive. There were actually different categories all together and it could take time to formulate what looks like a non state actors. He indicated a 'non state actors' can be anything from gangs , cartels , the mafia, coca cola company these are all non state actors , so they are a different categories all together and so that is why there is difficulties.

From the security perspectives they were interested on what the non state actors were and how they challenge state authorities and how do we address what non state actors are. Instead let's remove the many trappings and derive the meaning from the old European notion of what states were. A state must have a community that constitutes and live on particular area of land. But a more complex meaning of state today was nation state. As such non state actors may be looked at from the power relation point of view in that they in some cases challenge the state. The state can be deemed as a fictional character of the state. Or in many cases what

it really meant in examining the context was just the want to remove the current government in power. Therefore this is a very important decision that needed carefull thinking when those involved in security establishments when trying to address the power of states.

Prof. Datuk Dr. Zakaria Haji Ahmad further argued that the other problem definition was because the 'non state actor' cannot be considered in a same genre as a 'state'. But that non state actor can also have the characteristic that the states do not have. This means the non state actors can behave in trans state manner such as they operate across borders, they don't respect borders and they don't respect international law. Thus this is another difficulty that we need to address. He told the participants that he would not deal with the global security situation as did the two earlier speakers but instead he appreciated the two perspectives that brought the European side and the south Asian side of the situation. He said that the complexity came when we try to achieve a unitary regional or global order that involves many states in the global security situation.

The impact of aggressive acts by non state actors had created a better awareness of issues that before. Previously it was only localized and was ideally preserved to itself. But now all the global states, have to deal with non state actors much more on global basis than before therefore it could be said that the non state actors have assumed an importance beyond their normal and localised importance. Thus when issues involved two nations to act or react against non state actors the only way any good could be achieved was for the states concerned to mount a consorted response to that challenge that were brought before them.

He added that if one were to look at it in that way they would find that the Lahad Datu incident last year was a an indication where the state mounted an operation that was far more stronger than expected. It was actually was likened by some quarters as a sledge hammer response to a small group of insignificant actors. The public only wanted a faster government response. He explained that actually, the Sri Lanka experience was quite interesting. The experience there saw that the state or government was severely challenged to the extent that state had to respond in a manner that they did. He opined that it was so because the challenge that came from the non state actor involved actually questioned the whole legitimacy and the sovereignty basis of the Sri Lankan state. The Sri Lankan situation he opined would be easier dealt with compared to the situation in Lahad Datu where there was much more issues at stake.

In international relations and strategic study he recalled that the state as an entity that constituted the people, the territory and sovereignty and many of us follow that view today and were not easily moved far from its description. There are people who are talking about new ways of looking at international relations but as a realist - the situation was that the international order was still in relative anarchy.

He argued that the international order and system of states in place now were still anarchic. But the international order nonetheless had developed a good measure of international and regional institutions and organisations that had stabilised for most cases the opposing interest of the many state actors that inhibit the world.

The key he said was to understand the setting in which everything got set. It all depends basically on the state axis there for the existential state whether or not it has the merits and strength and the signage or what constitutes a state. So when we do look at our problems and how it had been addressed it ended up in the terms of governments dealing with it. Some he argued saw the world we lived in as a friction between weak states verses strong states. Instead he argued, that the response to the problem internationalised today was not about interstate violence but intra state violence. He added that interstate violence was dependent upon the nation and its strength. Strong states are able to deal with non states challenges but if the state was weak probably they would not be able to deal with non state challenges.

He warned that most of the developing worlds are basically weak states. On the other hand, most of the developed states in the world are strong and have additional soft powers. In this regard to know whether or not the society was safe in a state, the political system thus must have the legitimacy and economic buoyancy to perform the various roles needed for the society. Today he argued many of us knows which strong states were and which states were weak. Thus the nature of political leadership in the country, either weak or strong will determine state success. If the political leadership is strong throughout the society most probably the legitimacy is not questioned. So security forces must evaluate whether the non state actor was a political the problem suitable for a political response or is it a military problem that needed a military response.

Global security and the anarchic situation of the world order and state behaviour would usually pursue its own national interest as shown by the United States, Russia and China. National power therefore is pursued by national interest. He added that the real power and nature of states will be mostly looked at from the traditional side which was the true strength of the military and today we may look at the other elements such as economic, the political the social sides that make out the complete whole.

He raised two things as he summarized. First, international relations between states have been affected since September 11 occurred in the United States. The question was whether the United States would be able to persuade other countries to join its quest against violent non state actors and whether a convergence of interstate interests could be possible and be held up and acted together upon in terms of the global war in terror. Second, that there was no real danger of terrorism today. But it was found that violence targeted the United States power within the

United States itself and its peer competitor that included Russia and China. It was evident that the United States cannot easily focus on a particular campaign against a state but needed to deal instead with the opaque non state challenge. In the final analysis, Prof Datuk Dr. Zakaria urged everyone to wonder whether or not the influence of non state actors and the challenge it mounts to any particular state will be dependent much more on the nature within state itself where the challenge has been mounted or otherwise. Understanding the situation as such would make it easier to understand the topic at hand.

Colonel Arnel dela Vega, Senior Military Adviser to the Secretary of National Defense of the Philippines

Colonel Arnel dela Vega, Senior Military Adviser to the Secretary of National Defence of the Philippines was the final speaker in Session 6. He highlighted that the past two days had been enlightening for all of the participants in defence and the security sector. He found the opportunity a welcome so that makers who shared the policy direction of our respective nations and the institution that provide the foundation can bring forward meaningful programs that would translate into better security and economics through shared objective of contributing insights and impacts in defence and security through corporation.

He then elaborated on how non state actors impact on global security. Non state actors indeed he said had come to play a larger role in global security. Such

roles could either be positive or negative to our society which means that it either contributed in addressing security challenges or become source of security challenges. He told that on non states actors that create positive influence the role they had played had continued to gain mileage through the years. He noted that there were indeed times when researches in states for example were significantly being assisted by them. The government received the formulations or answers, be it for the short term, a quick fix into issues right down to the sustainable process that was needed to prolong a positive change. Such approaches although sometimes direct and indirect, nonetheless, critically influence the state policy making process that meant the concept of inclusiveness and participative governments came to life. The impulse had it was put forward had contributed directly to foreign and defence policy in Malaysia.

Policy papers produced by analyst during conferences and dialogues are enabling the insertion of better policy. The advisors in this instance help increase understanding and cooperation between government and non government entities. Round Table discussions were another method of soliciting information and insights that may rival an immediate known source. So the engagement in research projects on non-traditional security concerns should include trafficking in human beings, labour migrations and population issues such as food, energy and environment among others. Admittedly time, money and dedication was needed in examining peace and security policy issues, some of the study it could be argued can be brought into the study by local governments.

He believed that non-governmental organizations or NGO's or non state actors could create positive influence. Organizations such as these had   empowered communities to become self-reliant so as to fight poverty and other social ills. In the Philippines the NGOs that assisted empowerment of the poor people and rural communities helped by providing economic and social programs as well as developing rural communities through education and training, that included technology transfer. Meanwhile, other NGOs promoted human security democratizations and people to people solidarity by establishing a network of civilians in conflict areas monitoring the implementations of agreements between governments and local group.

Colonel Arnel dela Vega explained that it was routine that government and Non Governmental Organisations had formed networks enabling them to undertake collaborative efforts in common areas of interest. Such as the group called ASEAN Institute of Strategic and International Studies (AISIS) that created a network of ten countries within the Asian region and in the wider Asia Pacific. He added that there was this council for security cooperation in the Asia pacific that similarly provided second track for dialogue on security issues within the Pacific. Experts from the

other countries and public officials came together in the common forum to discuss the relevant political and security issues that was faced by the region be it on non state actors also can that created negative influence or had the opposite aim of undermining peace and stability both domestically and regionally.

Terrorist groups, criminal elements, pirates, drug traffickers and prostitution syndicates were organized groups that accelerated the growth of non traditional security challenges. They also both add to existing the maritime issues like smuggling, piracy accidences at sea and illegal fishing, human trafficking, fire arms trafficking, drug trafficking, maritime terrorism, calibration of weapons, mass migrations, transnational crime, border security and marine environment degradation among others. The non state actors add to the capacity of negative contributions to the regional and degradation of the global security elements that get established by either by local or global networks.

Photograph of Hon. Datuk Abdul Bakri, Deputy Minister of Defence Malaysia and participants for Session 5

He said that the terrorist increase and the sales of drugs indicated an expanding influence of groups interconnecting themselves from regional to global reach. To further their elicit agenda in the Philippines for example the Abu Sayyaf group had kidnapped people as a means of livelihood. And those groups that abound around the Southern Philippines like the 'Jemaah Islamiah' as known militant Islamic terrorist organization would attack both the military and civilian target, utilize direct and indirect links to disrupt economic development and undermine peace and order of a country and the region. Similarly he told that drug trafficking, money laundering and organized crime syndicate from Mexico as one of the most powerful organized crime group has expanded operations in other countries and that included the Philippines. The recent type of non state actor had used its international networks to intensify the scope of their elicit activities in the hope of soliciting massive wealth or simply establish local hubs for their operations. In conclusion he believed that the region was now challenged by forces that had no boundaries and respected no rules.

He concluded that it was therefore our collective duty to ensure the security concern are not only recognized but more importantly addressed it is in this context the expertise and influence of non-governmental organizations must be honest so that governments would be provided with appropriate inputs on how to address the security challenges facing the region. He told that governments had recent years acknowledged these groups significance. He opined that one has to remain committed to enhance cooperation and bringing the strategic stake holders in the form of national, regional and global security. Finally on behalf of secretary of national Defense of the Philippines, Colonel Arnel dela Vega congratulated the organisers of Putrajaya Forum, the Malaysian institute of Defence and Security for providing an informal platform among state and non state actors to discuss some relevant views and alternatives that can help enhance peace and build a mutually progressive regional community. ∎

*A Session
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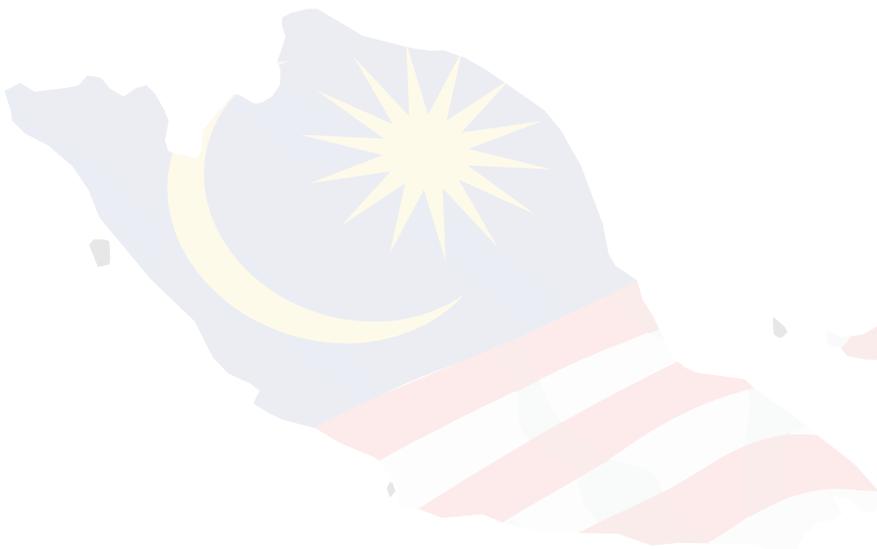
Chapter 9

Keynote Address 2
Emerging Regional Security Threats

MODERATOR

Tan Sri Dr. Munir Abdul Majid

SPEAKER

The Honourable Dato' Seri Hishammuddin bin Tun Hussein
Minister of Defence Malaysia

Keynote Address 2
Emerging Regional Security Threats

Honourable Dato' Seri Hishammuddin Tun Hussein, Minister of Defence Malaysia as Keynote Address 2 speaker of the Putrajaya Forum 2014

The Honourable Dato' Seri Hishammuddin Tun Hussein, Defence Minister of Malaysia was the speaker of Keynote Address 2. He expressed his joy by having the privilege to deliver the Keynote Address 2 on the 'Emerging Regional Security Threats' at the Putrajaya Forum 2014, the third in its series, which was organised by the Malaysian Institute of Defence and Security (MiDAS). Although he punned that many may consider the topic mundane but it was a topic that all stakeholders both those in and out the region should be concerned with. There was rapid economic growth and prosperity all around the region and as such it was pointless for us as governments to continue the valiant effort without including the security ambit of the growth in order to secure the region further without hiccups.

The Honourable Dato' Seri Hishammuddin Tun Hussein reminded everyone that they live in the age of uncertainties. The multi-fold shifts in technology and societal behaviours had a net effect of creating an increasingly unpredictable threat environment globally. Security threats be it traditional or non-traditional evolved rapidly, more often than not outpacing our abilities to find suitable solutions.

"We can't build models, extrapolate data and make guesstimates of what is to come, especially when lives are involved. We must instead persevere diligently in keeping up with the ever-changing global security landscape- mapping out the stakeholders and issues related to them".

He added that today, as nation states most are much less threatened by one another than by the growing risk posed by non-statist, and often international, entities, from one religious extremists right to cyber terrorists. The world stands at a turning point in history where knowledge information and news, truths, half-truths and outright lies, now digitized, networked, automated pervasive and instantaneous; had become a very important component in shaping political, economic cultural and security concerns. The world now operates in a globalized environment in which local and international events are inevitably linked in complex and unpredictable ways. Criticisms, cynicisms and attacks from the public domain continue to demonize the very pillars and institutions of nation building including national military, police, the judiciary, security and intelligence forces.

He explained that in short, local and international, domestic and foreign, gigantic transnational capital flows and human migration, from a new global and national political debate to suicide bombings, there is a new reality many have not begun to really appreciate. Although traditional security threats seem to have receded, other non-military threats have become more dangerous and widespread. He believed this situation was attributed to the increasing number of non-state

Distinguished guests and participants of the Second Keynote Address 2

actors in international relations dynamics. As a result, traditional state-centric notion of security has been challenged by more holistic approaches to security. Among the approaches which seeks to acknowledge and address these basic threats to human safety are paradigms that include cooperative, comprehensive and collective measures, aimed to ensure security for the individual and, as a result, for the state. These new dynamics and threats demand people to think outside of the box- testing "blue ocean" strategies, primarily in the interest of peace and stability of nation states.

He noted that over the past three decades, there have seen a shift in global economic power towards the East. The numbers he added spoke for themselves. According to the Boston Consulting Group, Asia now accounts for a third of the world's total trade and this figure was set to rise to 35% by 2020. This progress has been replicated here in the Asian Pacific region as well. Asia Pacific economies continue to exhibit strong growth. Intrinsic strength, progressive trade agreements among the region's countries, and recovering global demand were helping most economies in the region maintain healthy growth. He elaborated that Asia was now an important engine of global economic growth, and the Asia Pacific, sitting astride key trade and energy routes, was at the confluence of strategic and economic interests of major global players. A key to this economic success has been the region's ability to maintain peace and stability, thus providing an environment that has encouraged trade and investments.

As he mentioned earlier, the challenges that are facing the world today are no longer in the form of traditional state-to-state conflicts. Instead, most of the challenges emerging today are transnational security threats that threaten crucial areas such as maritime security. The security of the maritime realm was crucial to the global economy. To put things into context, seaborne trade alone accounts for more than 90% of total global trade. With more than half of the world's oil supply passing through the Straits of Malacca and Singapore, any disruption to the straits will affect the global economy.

He added that the threats to maritime security are complex in nature which includes transnational challenges such as maritime terrorism, piracy and territorial disputes and non-traditional threats such as climate change, pandemics and natural disasters. We have witnessed the devastating damage and disruption caused by the 2004 Boxing Day tsunami in the Indian Ocean and the March 2011 earthquake in Japan. Both of which were too big for individual countries to tackle on their own. We also face threats from non-state actors such as small terrorists groups.

The Honourable Dato' Seri Hishammuddin Tun Hussein said that early last year, the country was confronted with its gravest security breach since the Confrontation and Emergencies when gunmen aligned to the so called Sultanate of Sulu in

the Philippines landed in Lahad Datu, Sabah, Island of Borneo. These men were attempting to enforce what they believed was a centuries old claim to the state. He explained that in the subsequent Ops Daulat to repel the intruders, 71 Sulu intruders were killed at the expense of 10 Malaysian Security personnel killed in action. At the same time, Malaysia established the 1,400-kilometre Eastern Sabah Security Command (ESSCOM) in the state of Sabah to better ensure the security of the state.

He said that there were many lessons that could be gained from this incident and certainly one that was most prominent was the threat from non-state actors and in a non-traditional manner. Another vital factor was the close cooperation with our ASEAN neighbours, in this case, Philippines where information and certain security cooperation prevailed at the height of the crisis was vital. The incident shows that the biggest threats to nations today are not always from each other. Instead it may come from shadowy groups, often with historical grievances. These groups recognize no national boundaries and whose motivations are often unclear or shifting. Previously, many Asian countries might have thought of itself not as major targets for large-scale terrorism by religious extremists in the way that the West may be. Yet Asia's experiences with global terrorism were every bit as tragic as those of the United States, United Kingdom or Spain. From Bali to Colombo, what was traditionally termed the East or even the Islamic world, are as much locked in this battle as their Western counterparts.

Participants of Keynote Address 2

He said if anything, more citizens of the developing world were murdered by the ideology of hate than any other people. Terrorism will scavenge off anything to realize its narrow aspirations. He was optimistic that the world was fast waking up to the fact that it was not merely the West that was attacked by this international network of terror, but that every State, and indeed every city in the world, was a potential target. The global movement of resources and people makes the surveillance and defeat of international terror networks an especially challenging prospect. Unlike traditional criminal outfits with an obvious leadership structure, international terrorism thrives on its fluid and footloose nature. With cells scattered throughout the globe and individuals united by an evil motive without necessarily having to actually meet one another, there is no one target to strike, no one person to arrest, no one centre to destroy. Further, what makes international terrorism even more worrisome was the trend of collusion between terrorist insurgents and transnational organized crime – a potent combination that can lead to devastating outcome for our security interests.

The Honourable Dato' Seri Hishammuddin emphasised that all these meant that even in tackling the largest threat – that of terrorism – we cannot afford to take a simplistic, straightforward position. That was to say, in this case, we must consider the prospect that crippling the terrorist threat also required action against more 'traditional transnational crimes', whether it be drug trafficking or money laundering. On the surface, these activities may have little in common, but as The Report of the Secretary-General of the United Nations on Global Counter-Terrorism Strategy indicates, these links are bourgeoning into a vicious, symbiotic relationship and he believed that there was no one-dimensional weapon against a multidimensional enemy. Indeed, another troubling, if unintended, consequence of the global free flow of human resources was the spike in the scale of human trafficking. Although by its very nature, precise data was very difficult to obtain, broad estimates suggest that annual cross-border trafficking incidents are as high as 4 million, with half of them originating in South and South East Asia. UNICEF reports that 1.2 million children are trafficked every year for anything from prostitution, forced marriage, domestic service, exploitative labour, and begging. Here, too, the spectre of terrorism looms large in the background.

He added that along with drugs, human trafficking was increasingly a source of funding for terrorist networks globally. Advancements in technology had made it harder to move money from legal accounts into the hands of terrorists without raising red flags – it was thus only to be expected that terror organizations would turn to organized crime activities as a means of financing their operations which included the fact that trafficking in drugs and humans were the most profitable of all transnational criminal activities, and very quickly we realize that there was more to combating terrorism than meets the eye.

Even with all the limitless possibilities he warned that what we see on the internet were being challenged by one thing and that was the question of cyber security. The internet has to be protected. We would not leave bank accounts open or money on the table or our door open, but effectively with cyber-attacks, everybody is exposed. There are no rules of the game and we enter chaos. What's more frightening is that those responsible are often difficult to detect. We certainly cannot ignore that the cyber world of the 21st century poses fundamental new questions. First, is how to balance between freedom and security? And the other is deciding if the internet poses huge benefits or severe dangers? Well, the use of cyber space has made it very difficult for the authorities to trace perpetrators of security breach let alone tracking them. As we see it, today's security approaches are primarily reactive and the cyber criminals are already exploiting this weakness. Cyber attacks and security breaches are increasing in frequency with new discovery occurring literally every other day. Cyber warfare has become one of the most vital non-traditional security issues to emerge and is ever evolving. As we may be well aware, the security threats emerging from the cyber domain are certainly new and may amongst others include Cyber Warfare, Cyber Terrorism, Cyber Espionage, Cyber Crime and Cyber Spying. These cyber threats are intangible in nature, with no borders, and involving unseen armies. It tends to target the symbols of national security and data of security value, thus posing a more serious danger than many existing strategic threats. It is worth noting that among the more vulnerable targets of cyber attacks, are the military, including the nuclear and missile components, apart from national security targets and intelligence agencies, and infrastructure especially transportation.

The Honourable Dato' Seri Hishammuddin said that non-state actors and rogue state actors are capable of generating worse dangers by conducting economic espionage on a massive scale and launching cyber attacks to paralyze an entire country. For example, not long ago the penetration modules like the STUXNET Worm almost ruined one-fifth of Iran's nuclear centrifuge facility. Thus the emergence of cybercrime trends on leveraging innovation ahead of many organizations and security vendors. We have to continue to be cautious of this phenomenon. More so, with the Revolution in information technology, the advancement of science and technology has further spurred new forms of threats, including unconventional threats such as biological weaponry, cyber security threats and Chemical Biological Radioactive and Nuclear (CBRNe) devices.

The security threat landscape changes constantly, with malicious hackers developing new ways to compromise our systems as older vulnerabilities are discovered and patched. Regrettably, the technology of cyberspace evolves so incredibly fast that our societies have not been able to keep pace in agreeing on legal, political or ethical rules to mitigate cyber threats.

In short, cyber attacks are a daily reality and are growing in sophistication and complexity. Thus keeping pace with this evolving threat requires evolving solutions. Today, humanity seems to be vulnerable to threats and devastation, if not from man-made threat, it is from Mother Nature. He was referring to Environment Security. It was recently reported that by the middle of 21st century significant disruption to human society and the natural world is expected unless action is taken to address environmental degradation. The current phenomenon of global warming has caused some environmental degradation and it has directly affected the wellbeing and survivability of the human race. Climate change is believed to pose new challenges to states and directly shapes national security policies. Presently, nations are often called upon to assist in Humanitarian Assistance and Disaster Relief (HADR) efforts. Internal Disaster, External Disaster, Trans-Boundary Disaster, Natural Disaster, Endemic and Pandemic have continued to challenge human resolve.

Participants of Keynote Address 2

He added that as the world has witnessed, natural disasters occurring in a very complex and large scale putting a lot of stress on society and causing social distress. People have to be sensitive to their surrounding especially when disaster strikes. The chilling thought of a Chemical, fertiliser or nuclear plant's destruction causing the release of dangerous and poisonous gases or material into the air or water supply cannot be discarded. It has a great impact on sustaining human development and food security. From another perspective, environment security if not addressed appropriately may cause tensions between states. A case in point is the haze problem attributed by land and forest fires. The primary reason attributed to the drop of air quality is the open and uncontrolled burning or forest fires which is affecting neighbouring countries. The countries affected by the haze may

accuse neighbouring countries of not taking sufficient measures to mitigate the haze enveloping these countries. The air pollution upon reaching unhealthy levels can cause health problems specifically respiratory problems. Additionally, under extreme conditions it may even affect airlines and surface vessels safety.

In the Southeast Asia region, almost all ASEAN members have ratified the 2002 ASEAN Agreement on Trans-boundary Haze Pollution. This Agreement binds states to tackle trans-boundary haze pollution resulting from land and forest fires. However, the main weakness of this Agreement is the enforcement element. Parties are duty bound to create laws that ban open burning practices that cause trans-boundary haze but the implementation of such laws still appear ineffective. He said that as people ponder further on environment security they must realise its close link to food security.

He elaborated that food security is a growing concern with the shortage of supply and rising cost of food. Food security can be compromised by acts of sabotage or subversive activity on the food and water supply chain, causing food shortage due to internal and external crises, food safety, and diminishing primary food supply during prolonged war-strife-conflict-crisis. With the growing population, the Asia-Pacific region is expected to face critical shortage of food supply in the near future. Food production will be impinged by the shortage of fertile land, Global warming and escalating cost of food production. In recent years, shortage of rice supply to Malaysia was attributed to the big floods in Thailand. He quoted, that the Food and Agriculture Organisation of the United Nations predicts that the unhealthy balance between food production and food consumption will cause a global food crisis in 2050.

The Honourable Dato' Seri Hishammuddin said that in recognising these new challenges, governments in Asia have made their respective defence budgets their number one priority. According to the International Institute of Strategic Studies (IISS), from 2002 to 2012, Asia's defence spending rose from US$203 billion to US$356 billion; a 75% increase compared to a 12% increase in Europe over the same period. In 2012, Asia spent more on defence than Europe. Asia's nominal military expenditure in 2012 was US$287 billion; it surpassed Europe's military spending of US$262 billion. However, considering the nature of the emerging threats that he highlighted earlier, these efforts will not be suffice if they are to maintain stability within this region. It is clear that no one country, no matter how well-resourced, can solve these problems on its own simply because these threats cut across national borders. States need to come to terms with this new reality and start looking beyond their borders to maintain peace and stability. In our case, Malaysia's primary platform for regional cooperation is ASEAN.

Malaysia is one of its founding members in 1967 and ASEAN has always been the cornerstone of Malaysia's foreign policy. Malaysia has championed the idea

that a strong and successful ASEAN is not only an economic necessity, but also a strategic imperative. Since its inception, Malaysia has never been involved in any conflict with any of the ASEAN members and cooperation remains strong with several value added subsidiary forums – the ASEAN Regional Forum (ARF), ASEAN Defence Ministers Meeting (ADMM and ADMM Plus) and ASEAN plus Three to address regional security issues. Malaysia believes that a strong ASEAN is a stabilizing influence in the region. Indeed, many nations have now come to realize the importance of ASEAN and have moved to engage it. Malaysia is gratified to note that the US has acknowledged the role that ASEAN can play in the stability of the region. As mentioned by Secretary Hagel, during his visit to Malaysia, "ASEAN remains an important organization to the US in its re-balancing of her overtures in the Asia-Pacific region".

He argued that beside its huge market of 620 million people and a combined GDP of USD2.1 trillion, ASEAN has helped shaped Malaysia's national and regional security policies. ASEAN nations have always subscribed to what we now call the 'ASEAN way' which is the principles of consultation and consensus with confidence-building and preventive diplomacy to contain conflict in the region. At the same time, ASEAN members have always prided themselves with the principle of non-intervention in the domestic affairs of its members. He also mentioned a quote by our Prime Minister Datuk Seri Najib when he said, "I believe the biggest challenge facing us in the Asian region is domestic stability. International conflicts have often been caused by internal instability." As such, these guiding principles have very often avoided unwarranted tensions and contributed to the continued peace and stability in the region.

The Honourable Dato' Seri Hishammuddin highlighted that through ASEAN, Malaysia has substantially reduced intra-regional threats which may affect her sovereignty. Thus, to effectively tackle the whole spectrum of these emerging security challenges, robust regional security architecture is necessary to promote peaceful accommodation between states, and facilitate effective transnational cooperation. These structures must serve the objectives of building trust, pre-empting and resolving potential conflicts. It must be open and inclusive to all stakeholders, big or small. It must ensure that all stakeholders have a seat at the table that encourages countries to engage constructively in dialogue and tackle regional security challenges together. It is thus crucial that multilateral forums such as East Asia Summit (EAS) and the ASEAN Regional Forum (ARF) continue to bring together all relevant stakeholders who can make useful contributions to regional security. On top of that, there is a need for more initiatives such as "Eyes-in-the-Sky" – a proposal which was raised by the Prime Minister Datuk Seri Najib Razak, who was then the Defence Minister, during the 2005 Shangri-La Dialogue. This has since been implemented as part of the Malacca Strait Patrols (MSP) framework. Formed

by Malaysia, Indonesia, Singapore and subsequently Thailand, the MSP tackles pirate attacks and sea robberies in the Malacca Strait with combined maritime air patrols, co-ordinated aerial patrols and an Intelligence Exchange Group. Since its inception in 2005, the MSP has successfully reduced the number of piracy attacks in the Malacca Strait from a high of 38 incidents in 2004 to close to zero in 2011. The incidences of sea robbery and piracy have remained low since. It is clear that they can achieve a lot working together, thus he hoped to see more strategic dialogue and practical cooperation within the region.

In terms of niche areas such as cyber security, states should agree on a common position regarding shared norms for responsible state behaviour and the applicability of international law for the use of advanced cyber capabilities and techniques. Coordination and cooperation among law enforcement authorities across the region and with third countries as well as Europol and INTERPOL should be strengthened. Positions should be coordinated to promote ASEAN values and policies and a common ASEAN position. By building trust where members have common interests, practical cooperation and sustained dialogue will help ASEAN work through disagreements and help it tackle the emerging transnational security challenges within the region.

In recent times, a contentious issue within the region has created concern over territorial disputes. The way Malaysia sees its disputes in the South China and East China Seas must be subject to and resolved through international norms and laws. Malaysia expects these disputes to be managed and resolved peacefully and diplomatically, and opposes the use of any form of force or coercion. Any disagreements between states should be settled peacefully and in accordance with international law. Commitment to internationally accepted norms and legal frameworks provides the only viable and peaceful way to prevent conflict when differences of views arise. In disputes, all sides should exercise maximum restraint and avoid escalating tensions or precipitate confrontations.

Participants of Keynote Address 2

At the end of The Honourable Dato' Seri Hishammuddin's speech, he concluded that as the balance of the world's strategic and economic weight shifts towards Asia, a robust regional security architecture that can accommodate all stakeholders and rising aspirations is vital. Relationships marked by strategic rivalry and uncertainty increase the risks of friction and conflict, which could have devastating consequences on the global economy given Asia's increasing influence. Given the transnational nature of these emerging security threats, it is clear that no nation can do it alone. Asian defence establishments and extra regional partners who have a stake in Asia's continued prosperity must therefore engage in ways to increase mutual understanding and confidence, and cooperate to deal with transnational threats to regional security. He believed that one can never underestimate how important it is for leaders at all levels to meet, establish relationships, and form networks. This web of personal ties is as important a part of the robust regional security architecture as the institutionalised links between our defence establishments. Warm ties facilitate the frank exchange of views, which reduces uncertainty and encourages countries to look beyond their differences to focus on where nations can work together for mutual benefit. On that note, he looked forward to hear insights, and to continue the conversation on how together countries can sustain regional peace and stability to ensure continued prosperity for all.

The Honourable Dato' Seri Hishammuddin Tun Hussein Minister of Defence Malaysia and moderator Tan Sri Dr Munir Majid during the questions and answers session

After the Honourable Dato' Seri Hishamuddin's address, he accepted some questions. The first question was asked by Lt Gen Dato' Sri Abdul Manaf Ibrahim (R) who wanted the minister to elaborate on the Malaysian government's approach in handling's Sabah's challenges. The Honourable Dato' Seri Hishamuddin said that he was not happy with the security situation in Sabah but was optimistic that collaboration can be had with neighbours like Brunei, the Philippines and the state government of Sabah. Besides, improving Standard Operating Procedures or SOP's among security agencies, he suggested that another creative way to improving the situation there would be to get cooperation from some private oil companies and private security providers that operate in the Sulu Sea. He mentioned that Shell, ESSO and Petronas should be asked to come on board to cooperate and perhaps new technology would also be looked at as sources of improvement.

Lt Gen Dato' Sri Abdul Manaf Ibrahim (R) asking a question from the Honourable Dato' Seri Hishammuddin Tun Hussein

A second question came from Captain Martin A. Sebastian who wanted the minister to elaborate on the security uncertainty of the times, especially with regard to the Lahad Datu and MH 370 and the Malaysian's preparedness of facing them. The Honourable Dato' Seri Hishamuddin said that the way forward on uncertainty was acceptance and not denial by the leadership and the people. Then, the humility to look and learn from what had happened openly and improve on it. He lamented that in security cases like Lahad Datu and MH 370, it was something all governments and peoples of the world had to face in terms of security and

prepare for those similar things that could just as unfortunately occur elsewhere. He however was not discouraged at the odds. He believed that Malaysia actually did well in getting cooperation and trust from its neighbours both in the Lahad Datu incident and on the missing MH370 aircraft. He believed in building bridges and the MH 370 was such a case for it. He explained that the ongoing MH 370 search and rescue to date got cooperation and trust from 26 countries to whom he would like to thank openly.

Finally on the query posed by YBhg Tan Sri Dr. Munir Majid on MH 370 and the question to have a Royal Malaysian Air Force SOP to shoot down any unidentified aircraft, the Honourable Dato' Seri Hishamuddin said that the question could be looked at as it was possible that in the future civilian aircraft may be used as weapons against Malaysia. But it would depend on how Malaysia had thought and felt about its necessity. On that note the discussion ended. ∎

Chapter 10

Closing Address
Putrajaya Forum 2014

THE RIGHT HONOURABLE

Tan Sri Muhyiddin Hj Yassin
Deputy Prime Minister of Malaysia

Closing Address
Putrajaya Forum 2014

The Right Hon. Tan Sri Muhyiddin Hj. Yassin, Deputy Prime Minister of Malaysia delivering his 'Closing Address' amidst distinguished international and local guests at the Putrajaya Forum 2014

The Right Honourable Tan Sri Muhyiddin Hj. Yassin, Deputy Prime Minister of Malaysia praised all the guests and participants at the closing ceremony of Putrajaya Forum 2014. After the opening salutations, he thanked the Malaysian Institute of Defence and Security (MiDAS), the organisers of the 3rd Putrajaya Forum for giving him the opportunity to deliver once again the closing address of the prestigious forum. Looking at the main theme of "Strengthening Security and Regional Stability", he had no doubts that the forum this year had managed to engage equally, a variety of experts and academicians to address the importance of not only strengthening the regional security but maintaining the stability which Asia was currently enjoying. He expressed his pleasure to be in the presence of local and international distinguished speakers and moderators as well as all participants.

He recalled his closing address of the 2nd Putrajaya Forum back in April 2012, where he mentioned the threats of terrorism and the many forms of security threats particularly from the non-traditional ones affecting the security and stability of

the region then. He then reiterated that there were still several security issues that remain as a challenge in the efforts for continued stability in this region. He pointed out that some of the tensions in this region and beyond was the legacies of history whilst some in particular, territorial claims were still being pursued by countries in this region.

The Right Honourable, Tan Sri Muhyiddin Hj. Yassin said the geopolitics of the region was also changing rapidly with the US and China at the forefront of what can be termed as a 'contest for primacy.' The South China Sea disputes and the intercession of 'outside' interests had made maintaining the security and stability of the region more complex. He added that these possible causes of conflict required more than the diplomatic efforts of the governments involved. Sincere efforts to diffuse tensions might now require a multitude of engagements as well as deft negotiation processes by the leaders of all the nations involved.

Distinguished guests and participants for Closing Address of Putrajaya Forum 2014

He stressed the importance of regional cooperation in particular ASEAN, as well as the networks of diplomatic relationships which spanned across the globe to collectively address emerging security challenges. He said such effective and close cooperation would continue to generate the ability to identify and address threats of any sorts which might be detrimental to the regional safety and stability. As such, he felt relief that the world had not only recognised the importance of ASEAN as a platform for maintaining peace and stability amongst its members, but also a forum for engagement with regional powers such as China, India, Japan and Korea. It was a known fact that since the formation of ASEAN in 1967, there had not been

any open conflicts amongst its member countries. The ASEAN way of resolving problems and crises through consensus and mutual respect had indeed gone a long way towards avoiding unnecessary conflicts and tensions.

He said that when Malaysia chairs ASEAN in 2015, there would indeed be more challenges that need to be faced collectively amongst the ASEAN family and beyond. As an example, The ASEAN Regional Forum (ARF) which consisted of 27 member countries continued to complement the various bilateral and multilateral arrangements in place and was indeed an avenue in which addressing security threats in the region could be continuously reviewed and upgraded.

He announced that Malaysia was also vying for a place in the one non-permanent seat of the UN Security Council in 2015 with the candidature theme of 'Peace and Security through Moderation'. This augured well for ASEAN and countries of the region as he was sure ASEAN would be able to speak and give its views by taking into account the importance of diplomacy and moderation in all aspects of international relations. Maintaining security and stability of this region therefore would largely rely on continued consultations and solidarity in addressing a security threat, common virtues which ASEAN family had always espoused.

The Right Honourable, Tan Sri Muhyiddin Hj Yassin also highlighted the difficult times Malaysia was facing in the tragic case of MH 370 which had affected the nation so profoundly. The incident not only brought the whole nation and region together, but instilled the camaraderie amongst the ASEAN members and beyond. Twenty six nations assisted in the Search and Recovery operations and coordinating their efforts which we had had to undertake involved many new experiences. He believed that the close cooperation garnered from this incident would contribute to the overall stability of the region in future particularly so if Malaysia bid to be a non-permanent member in the United Nations Security Council was endorsed.

Distinguished guests and participants for Closing Address of the Putrajaya Forum 2014

He concluded that moving on from the previous forum, we had gathered over the past two days to discuss and address potential threats emanating from non-traditional methods and, above all from non-state actors. He was pleased that the topic, "Rethinking of Military Doctrine" was also being considered as he believed that the military of any country remains one of the most effective means of addressing a security threat. Therefore, doctrines that were being formulated should take into account the growing non-traditional security threats which might need a different approach to the more conventional art of fighting wars. As proven before in Malaysia's very own history of defeating the threats of communism, a holistic and whole-of-country approach involving the security forces and entire population itself should be used as an integrated medium to defeat a common enemy.

He agreed that the forum had provided ASEAN countries with the right platform to share a common desire in strengthening cooperation and initiatives that promotes greater security and stability of the region. He elaborated that as the forum matures into one of international stature, it would complement other security dialogues in the region as a respected discussion arena where security initiatives were constantly developed to address emerging threats.

The Right Honourable, Tan Sri Muhyiddin Hj. Yasin congratulated Defence Minister the Honourable Dato' Seri Hishammuddin Tun Hussein and the Malaysian Institute of Defence and Security (MiDAS) for successfully convening the forum. On the same note, he thanked all speakers, moderators and participants for their earnest participation over the last two days. He hoped that international participants would also find time to visit and savour the sights and sounds of Kuala Lumpur as well as the gastronomic delights Malaysia had had to offer.

Finally, the Right Honourable, Tan Sri Muhyiddin Hj. Yassin officially closed the 3rd Putrajaya Forum 2014 that evening.

The Right Hon. Tan Sri Muhyiddin Hj. Yassin, Deputy Prime Minister of Malaysia receiving mementos from the Hon. Dato' Seri Hishammuddin Tun Hussein, Minister of Defence Malaysia

Group photograph with the Right Hon. Tan Sri Muhyiddin Hj. Yassin, Deputy Prime Minister of Malaysia at the Putrajaya Forum 2014 flanked by the Minister and Deputy Defence Minister and Senior Government Officials

Chapter 11

Photo Gallery
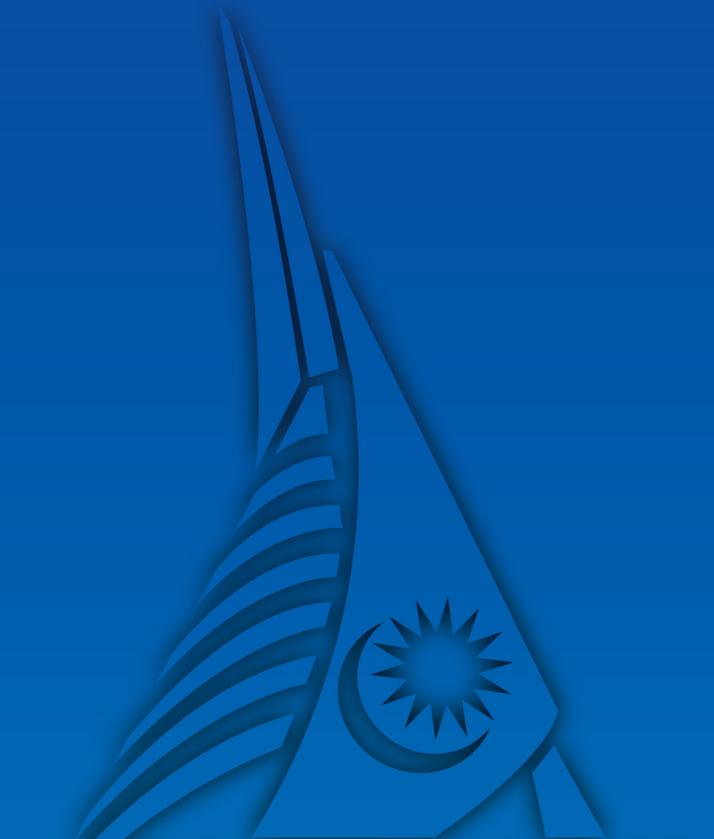
PUTRAJAYA
FORUM 2014
Defence and Security Forum for Peace

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