

What next after Wang Yi's brief visit?

Datuk John Lo

The recent "hot" news was Wang Yi's [China Foreign Minister] brief overnight stopover in KK on 4th of June 2022. The meeting between him and Datuk Dr Jeffrey Kitingan, quite naturally, has spurred intense speculation. Was Wang Yi's brief visit deliberate with intent to update the connect between China and Sabah? Is Wang Yi here cos China has noticed Sabah's progress since Hajiji's take over as CM and his restructuring initiatives for the Sabah's economy?

I would say "yes" for a number of reasons. Please see below. <https://www.theborneopost.com/2022/06/04/china-sabah-agree-to-strengthen-ties/>

Wang Yi could have stopped-over anywhere in the region? Wang Yi could have easily flown straight back to Beijing or any Chinese city or for that matter, stop-over in any city in Philippines, Indonesia or any surrounding countries.

He could have chosen Kuching or Brunei. Brunei is a full Asean country, the Chinese Consulate in Kuching was established 5 years ahead of KK's.

Knowing Wang Yi's time is precious and tight, I would venture to guess his brief overnight stopover has significance, not a casual one, to which Sabah should pick up the hints and proceed to elevate the China/Sabah connection.

Other Chinese senior officials have come before Wang Yi.

China has been keeping an eye open on Sabah for some years. Little known to many Sabahans, some top Chinese officials have visited Sabah as early as 2012.

[a] Press quotation: "17 April, 2012—Top political adviser Jia Qinglin visited Sabah and vowed to give more Chinese tourists to Sabah in his talks with Musa Aman."

This meeting heralded the massive Chinese tourist arrivals and has encouraged Musa to promote tourism development and hotel constructions in Sabah. Musa was quick to take the opportunity.

[b] Press quotation: "On 12 August 2012, visiting Chinese Foreign Minister Yang Jiechi held talks with his Malaysian counterpart Anifah Aman in Kota Kinabalu, the capital city of Sabah."

[c] Press quotation: "12 September 2019, Wu Bangguo, Chairman of the Standing Committee of China's National People's Congress met Musa Aman in KK."

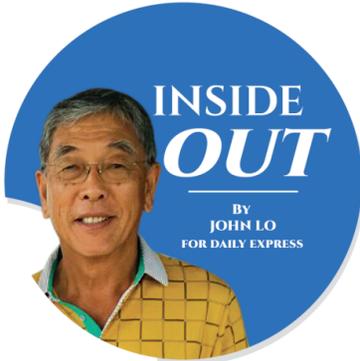
China encourages relevant provinces and cities to conduct mutually beneficial cooperation with Sabah state in such areas as infrastructure, port construction and product processing, and supports Chinese enterprises to take positive attitudes to explore market in the state, said Wu.

He also called for efforts to facilitate the implementation of the Sabah Development Corridor and other strategies."

The Musa's discussion with Wu Bangguo in 2019 signalled a fast-maturing relationship as the subject matters in this meeting were much more extensive in nature, no doubt prompted by excellent relationship which has evolved since 2012.

I should also mention that Musa, Harris, Anifah and ex-Chinese Ambassador Chai Xi have played crucial roles in the establishment of the China Consulate Office in KK in 2015.

<https://www.mfa.gov.cn/ce/cemy/eng/sbqx/t960610.htm>
<https://www.mfa.gov.cn/ce/cemy/eng/sbqx/t923597.htm>
<https://kepkas.sabah.gov.my/chinese-leaders-impressed-cm/Xi-Jinping's-aborted-visit-to-Sabah>



John Lo is a concerned ex-banker

Much more significant for China/Sabah relationship had Xi Jinping [China's President and Secretary General of CCP] been able to visit Sabah in October 2013.

He had wanted to spend 50% of his first official visit to Malaysia in Sabah —4 and 5 October in West Malaysia and 5 and 6 October in Sabah. Intense preparation had been made for this historical visit.

For reasons unknown to this day, his plan to visit Sabah had been cancelled at the last minute. It would be to Sabah's benefit to establish the reason in view of Wang Yi's visit.

<https://www.aspistrategist.org.au/xi-jinping-and-the-sabah-enigma/>

Visiting Chinese leaders have expressed interest in oil palm investment.

According to Dr Jeffrey, Wang Yi has mentioned this again. Unfortunately, Sabah is not in a position to respond in the present context as most of Sabah's 5 million metric tons of CPO are being exported by major non-Sabah owners to China and Holland for downstream processing. Sabah must introduce a law or policy to retain CPO in Sabah for downstream.

China has given the hints, Sabah must respond.

Sabah is lucky to have been favoured with visits by a few top Chinese officials. Many countries would give an arm and a leg for these visits. Musa would have taken appropriate actions to explore the opportunities afforded by these top-level visits had he continued as CM.

Now that Hajiji's initiatives have again attracted Wang Yi's visit, Sabah must take up the opportunity to elevate further economic ties with China especially in investment and the establishment of some "Belt and Road" projects. West Malaysia has got all the Chinese investment, Sabah has none. This requires

urgent rectification.

Yong Teck Lee's POIC initiative with CCB.

Soon after being appointed Chairman of POIC, Yong has established relationship with CCB [China Construction Bank] which is one of the 4 state owned Chinese Banks and one of the largest in China.

Yong's initiative to connect with CCB is significant in the context of past visits to Sabah by top Chinese officials and current geopolitical development in the South China Sea and South Pacific.

Yong has created a window to CCB for Sabah which, if Sabah businessmen know what to do with this opportunity, will benefit them substantially. This they can do by asking Yong to assist in their networking with CCB.

The new Sabah/China relationship can start on a strong footing with Yong's initiative with CCB.

China can be very important in Hajiji's restructuring of Sabah's economy.

Hajiji's new inclusive economic management approach and success to attract more than RM25 billion investment since assuming office because of his investor-friendly policies have not gone unnoticed in Beijing. Some Chinese parties are among the investors that have signed up MOUs. **With Wang Yi's visit, many more potential Chinese investments may come to Sabah.**

I hope Hajiji will lead a delegation to China as soon as it is okay to do so. Strike while the iron is hot.



Marcos Jr and dad Ferdinand



Megawati and Sukarno



Hsien Loong and Kwan Yew



Najib and Tun Razak



Benigno and Corazon



Yingluck and Thaksin



Political dynasties order of the day across Asia

WHILE there is widespread nervousness at the victory of Ferdinand Marcos junior in the Philippines, for many of us it was a reminder that "blood" is still an important element in the politics of the developing world.

Before you get smug, it's called "political dynasties" in the developed world. In the US, it's the Kennedy, Bush and Clinton families.

In much of Southeast Asia, the idea of political blood is taken much more seriously. Despite the modernisation process, politics is still stuck in the old ways. A brief look is disturbing. In the Philippines, Gloria Macapagal Arroyo and Benigno "Noy" Aquino III both succeeded their parents as president of the Philippines. In Indonesia, Megawati Sukarnoputri is the daughter of the country's first president, Sukarno.

In Thailand, Yingluck Shinawatra succeeded her brother Thaksin as prime minister. Singapore is ruled by Lee Hsien Loong, son of Lee Kuan Yew.

Najib Razak is the son of Malaysia's second prime minister, Abdul Razak Hussein. And Hun Manet, the son of Hun Sen, is almost certain to take over Cambodia soon. These are the most prominent ones. The truth is thousands of others in the region hold high political office due to their bloodline.

Others are waiting: Mahathir Mohamad's son Mukhriz in Malaysia, Agus Harimurti Yudhoyono, the son of former Indonesian president Susilo Bambang Yudhoyono (SBY), Panthongtae Shinawatra, the only son of Thaksin, all have a shot at their nation's highest office. Hishammuddin Hussein, son of Malaysia's third prime minister, is in the same boat. If they did not come from rich and powerful families, it is unlikely they would ever attain high office. Are they simply a natural product of political families?

The argument goes that if you grow up in that kind of household you cannot escape your "calling". Some even liken it to "national service".

The other argument is that since it's a democracy, if the polity voted for them, that should be the end of the argument.

But the reality is that political dynasties are created, and often accompanied by formalities steeped in custom and traditional political culture. They are nothing to do with meritocracy.

In Southeast Asia, it's often linked to "patron-clientism", where a powerful person (patron) and a follower (client) mutually benefit from the relationship.

In a nutshell, why should you hold high office just because you are born with a certain surname or lucky enough to be born into a particular family?

In almost all cases, political dynasty members use their superior wealth, connections and education to rise.

Along the way, they attract the followers of their forebears and keep them loyal with patronage, sometimes called the "coat-tail effect".

I take the view that political dynasties, in all societies, are bad in the long run and have negative consequences for political development.

First, political dynasties hinder meritocracy and fair competition. In rural areas of Southeast Asia, it is extremely rare for a political unknown to defeat a "name" that has been in power for generations.

This explains why the power bases of many political dynasties are often found in rural constituencies.

Second, political dynasties promote the idea of political elitism. That is, the selection process is closed and the leaders are drawn from the same pool of people.

Third, political dynasties are closely linked to economic power. Concentration of political power among a few families benefits a narrow set of economic interests.

This process institutionalises economic and income inequalities and creates a culture in which "connections" become the most important criteria for everything.

These political families are able to claim a major portion of the state's resources legally through their control of the political system, leaving the country vulnerable to corrupt practices.

However, it seems political dynasties' hold on politics in Southeast Asia remains unshakable. Some countries have "term limits" to stop political dynasties, but they are totally ineffective in practice.

For example, there is nothing to stop a brother or sister from the same political family succeeding each other. Will social media and the internet change the situation? It is very unlikely.

The most important criterion for political change is probably education, which means an education system that teaches citizens to be critical and think in a rational way. But in Southeast Asia, state education is about producing citizens who obey authority – in bureaucratic speak they are called "loyal" or "patriotic" citizens.

So, should we be surprised by Bong-Bong Marcos's victory? Not in the least. There will be similar victories by people with very familiar names in the future.

Of Harimau-Garuda collaboration

Chun Sheng Goh and Bernard Ng

BORDERLAND is a land of complexity. Before the establishment and expansion of the British North Borneo Company in the late 19th century, the Tawau District was under the influence of sultanates in the region, i.e., Brunei, Sulu, and Bulungan in Kalimantan. In a map published by the British North Borneo Company in 1888, the territory under its control covered the entire Sebatik Island as well as Nunukan Island. The land borders were later fine-tuned several times after the Anglo-Dutch treaty was signed in 1891, with Sebatik Island politically dissected into two parts and Nunukan Island transferred to Kalimantan. This had changed the fate of the local people for generations, as the territorial arrangement was subsequently adopted by Malaysia and Indonesia after gaining independence from the colonists.

Sebatik Island was one of the crucial battlefields during Konfrontasi. On 28th June 1965, the Indonesian force entered the eastern part of the island and attempted to launch an attack on the Royal Malay Regiment's camp in Tawau. However, the operation was not successful due to the resistance on the Malaysian side. An Australian frigate Yarra was also called upon to bombard the aggressors. The older generation in Sebatik Island still could recall the sound of gunfire and cannon fire. Interestingly, in the following decades, no fence, walls, or immigration office were ever built to demarcate the border on the island except some concrete piles were placed as indications.

The status of the maritime border, however, remains not completely resolved until today, as reflected in the recent territorial disputes between Malaysia and Indonesia over Ligitan, Sipadan, and Ambalat in the Celebes Sea. In 2002, Kuala Lumpur successfully claimed the ownership of Sipadan Island and Ligitan Island at the International Court of Justice. Three years later, Indonesia claimed that Malaysia had violated Indonesian sovereignty when the Malaysian state oil company, Petronas, granted a concession for oil and gas exploration in the Ambalat block, a sea region near Sipadan and Ligitan. Fortunately, both countries have been sticking to diplomatic solutions to address the territorial disputes.

Cross-border flows of goods and people

The Sabah-Kalimantan border has been known to be porous and permeable. The illegal timber trade across the border in the 1990s is a remarkable example. Illegal logging was rampant in Kalimantan two decades ago - it was estimated that about US\$ 600 million was stolen every year. The majority of the illegally logged timber was smuggled to Malaysia. In 2001-2002, about 2 million cubic metre of illegal timber were smuggled from Kalimantan into Sabah, mostly transported from the port of Tarakan via sea route with all kinds of vessels. A few years later, as the

international demand gradually shifted to legal woods, the smuggling activities declined rapidly.

Until today, the existence of an informal, grey economy in the borderland remains an open secret. Many in Kalimantan rely on various subsidised and thus lower-priced basic goods from Sabah. A prominent example is the smuggling of Malaysian-subsidised liquefied petroleum gas (LPG). LPG gas cylinder is one of the highest subsidised items transported illegally to Indonesia via the Sebatik island and other sea routes. Especially during the festive season, skippers are willing to take risks to intense demands in Indonesia.

Furthermore, the growing demand for cheap labour forces on oil palm plantations in Sabah has attracted many Indonesians, including a large group of undocumented migrants from the Kalimantan borderland since the 1970s. Some have stayed and built their families in Malaysia. Unfortunately, many of their children lack documents and became 'stateless' as their parents failed to register the marriage. Despite the complexities, both governments have been cooperating closely since 2008 to provide Indonesian-orientated education to these children. As of 2019, the education institutes include 232 community learning centres with 14,213 students.

In the early 2000s, as Malaysia tightened its control over Indonesian workers in the country, a large number of immigrants were deported. The East Kalimantan's governor responded with a proposal to establish 1 million ha of oil palm along the Sabah-Kalimantan border (at that time the North Kalimantan province was still part of East Kalimantan). The idea was to have this 'oil palm belt' as a buffer zone against smuggling activities as well as to create jobs for Indonesian workers returning from Sabah. The plan was never realised despite the land being cleared and timber being extracted. Instead, the deported workers - estimated to be 300,000 - were given lands elsewhere away from the border. However, oil palm expansion continued to happen in the north-eastern borderland of the Nunukan District, reaching 140,000 ha by 2020.

Transboundary tourism in the borderland is another interesting aspect to examine the relationship between both countries. For example, as the Krayan Highlands is only easily accessible by ground transport through Malaysia, the eco-tourism may have benefited Malaysia more than Indonesia. There was an interesting saying among the Krayan people, 'Garuda in our hearts, Tiger in our bellies' (di dada ada Garuda, di perut ada Harimau) where Garuda and Tiger represent Indonesia and Malaysia, respectively. Given the rich tourism resources in the borderland, developing transboundary tourism packages that benefit both sides could be something worth further exploration.

Cross-border collaboration

While fruitful cross-border collaboration to take advantage of continuity and diversity is yet to be seen, a significant shift is probably underway. The borderland is regaining new attention due to the relocation of the Indonesian capital to Kalimantan. There are multiple cooperation possibilities for Malaysia and Indonesia in developing regional value chains in the borderland, through platforms like the 'Sabah-North Kalimantan Border Economic Area Programme' under the framework of the Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA).

Various economic opportunities are being explored to shift the development trajectory from primary to secondary and tertiary sectors. Particularly, establishing high value-added palm-based bio-economies and sustainable eco-tourism are deemed the key strategies. Especially in the borderland, both countries may leverage the distinctiveness due to different stages of growth to complement each other in terms of the labour force, infrastructure, investment, resource supply, and demand.

In the near future, technological breakthroughs along the digital revolution may open new doors for greater regional cooperation. For example, the implementation of 'smart' border crossing systems with online visa processing and pre-departure checking using mobile apps, as well as real-time data sharing between countries and AI-driven data analytics, will greatly enlarge states' control and surveillance capacities. How Harimau and Garuda can form a larger ecosystem that supports each other's growth targets in the coming years, with the borderland as the frontier in focus, would be interesting to observe.

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