Governance and Sustainability in the Straits of Malacca

The Straits of Malacca connects two primary networks of shipping routes. To the west lies the Indian Ocean, with routes extending from the western coast of the Malay Peninsula to the shores of Africa, and to the east the South China Sea, with a network of routes connecting East and Southeast Asia. For many centuries before the arrival of Europeans in this area of the world, economic and socio-cultural interaction was frequent. Even after European intervention many of these networks continued to operate with long-term consequences. While trade - among people of different ethnic, religious and cultural backgrounds - was generally the prime motive to move, it did not restrict itself to the exchange of goods, but extended to the exchange of ideas, knowledge and customs.

One of the choke points of interaction in this regards was and is the Straits of Malacca. With closer regional economic integration cross-Straits communication and cross ocean communication is increasing. Cross-boundary social networks are ethnically diverse but closely integrated. Thus the Straits bear great opportunities for the economic and social development of the littoral states of Indonesia, Singapore, Malaysia and Thailand. Moreover, peace and stability in the region is a precondition for regional development, for uninterrupted energy supplies and international trade.

The proposed research program aims at providing data and analyses relevant to sustainable social and economic development along the Straits of Malacca. We assert that the final outcome will depend on the form and quality of governance of the region. Our program suggests a new integrated research design that can eventually be applied to other maritime passages of strategic importance. From a practical point of view the research program proposes the utilization of social and economic diversity to strengthen the development potential of the region.

Trans-boundary Networks and Social/Economic Integration

Coordinator: Prof. Dr. Solvay Gerke

Summary of the research problems and goals

Although historical records are scarce, it is evident that by the seventh century, the kingdom of Srivijaya established superiority over large areas of Sumatra, western Java and much of the Malay Peninsula. Srivijaya dominated the Straits of Malacca and controlled the spice route traffic as well as local trade. Srivijaya helped to spread the Malay culture throughout Sumatra and the Malay Peninsula until its influence waned in the 11th century. Since this time the states bordering the Straits of Malacca developed close relations through the establishment of ethnic, religious and knowledge networks as well as trading relations across the straits. Ethnic diversity is as common in the area of the Straits of Malacca as ethnic loyalties and rivalries among different ethnic groups. Contemporary governments are therefore often forced to use ethnic influenced politics in order to overcome ethnic tensions and to reach political stability and unity. In former times colonial rulers used – sometimes intended, sometimes unintended - ethnic differentiation to separate and to exploit the respective ethnic features of a certain group. This in itself creates vulnerability. On the other hand ethnic solidarities and trust have enabled trading networks to operate under difficult political conditions. Chinese business networks have been analysed extensively (see e.g. Menkhoff and Gerke 2002), though studies combining networks of different ethnic communities are less prominent. Especially inter-ethnic connections have possibly created stability over long periods of time. Trans-boundary networking must be understood in terms of the type of boundary transgressed. Regular interaction between members of the same ethnic groups across national boundaries leads to the creation of trans-boundary diasporas. Trading networks extend over long distances, combine different ethnic groups and are often stable over centuries (Evers 1988). Upstream-downstream trading networks as found in many parts of Southeast Asia cut across geographical boundaries between wetlands and highlands, cultural boundaries between ethnic groups and often also political boundaries between states or provinces. Islamic networks in the region also exist since centuries with frequent cross Straits interactions, but Islam in Southeast Asia and its capacities for knowledge transfer are seen as a new and until recently neglected topic.

We intend to study networks that extend across national and ethnic boundaries, i.e. true trans-boundary networks. This will carry us beyond the confines of conventional diaspora research, beyond the study of ethnic communities and the

embeddednes of economic networking in specific cultural and social constrains. We assume that trans-boundary networks have the abiliy to integrate regions, promote economic and social development and create, at least in the long run, stability and social resilience to natural and economic hazards. On the other hand, networks also bear potentials for conflict: Islamic networks create cross-border ties and add to social resilience and social/economic integration, but some of these networks have been used as a cover for terrorism and therefore constitute a threat to the security of the Straits of Malacca region. Less dramatic, but destabilizing in its last consequence could be the increase of trans-boundary business networks and their potential economic influence in the region which might increase tensions that could lead to ethnic violence.

State of the Art

Theoretical and empirical studies on social networks abound in the sociological and anthropological literature. Our own contribution to the field are in addition to various articles two edited volumes dealing with Chinese business networks (Menkhoff and Gerke 2002) and trading networks (Evers and Schrader 1994). Other recent studies deal with Chinese networks (e.g.Tan 2006), transport networks (e.g.Rodrigue et al 2006) and many other fields. Literature dealing in a comparative manner with Islamization and cultural identity, networks and interlinkages between Islamic regions is comparatively scarce. An exception is the important book by Ozay Mehmet (1990) which uses the examples of Malaysia and Turkey. The Institute of Southeast Asian Studies in Singapore has published several volumes that contain sporadic evidence of Islamic networks (Siddique et al . 1985). Evers and Siddique (1993) deal with the issue of religious revival in Southeast Asia and emphasize the fact that contemporary revivalist movements are found in all major religions in the region. The recent edited volume by Robert Hefner and Patricia Horvatich (eds.) (1997) deals with numerous examples of the Southeast Asian states and addresses questions such as cultural identity, nationalism, minority policies and Islamization.

Project 1: Cultural diversity in Penang: Dimensions of social and economic integration in a regional growth centre

Penang has become one nodal point of development since its foundation in the early 18th century. Situated on the Straits of Malacca it has until today maintained long standing intensive connections with other nodal points on both sides of the Straits (Medan, Malacca, Singapore) and beyond. The city of Georgetown and the surrounding urban areas are made up of a Malay minority most of whose members have also migrated from neighbouring states or from

Indonesia. Furthermore, a large number of Chinese, Indian, Middle Eastern and European migrant communities, ranging from a few dozen to a few thousand members each are present in the area. These communities show a different degree of integration and organization, but all of them are linked to other communities along the corridor of development of the Straits of Malacca and beyond. Some of these communities have been described as defining the boundaries of its membership "situational", i.e. they enter into strategic alliances with other groups or follow a path of cultural hybridization.

The proposed research will carry out an ethnographic survey of Penang to enumerate the array of local and migrant communities and estimate their respective numerical strength. It will select three migrant communities and a local one and collect data on sub-samples on the following dimensions: organizations and institutions representing the community (diaspora); frequency patterns of interaction with communities of the same kind or other communities in Penang and across the Straits of Malacca; flows of in- and out-migration across the Straits of Malacca ; means of communication within or outside the community and the establishment of networks of economic, social and cultural (religious) exchange across the Straits of Malacca.

Project 2: The Social Integration of Migrants in Penang

One of the concepts that has been widely used to refer to migrated populations who crossed borders and exist under different circumstances has been the diaspora, a term that is overloaded with connotations of traumatic experiences, collective memory of an idealised homeland, a strong ethnic consciousness, troubled relations with the host community, a return movement, etc. However, in the Indian Ocean and South China Sea, people of different origin may have moved to India, Indonesia, Malaysia, African countries and the Persian Gulf as free people as well as forced labourers or even slaves. The concept of the diaspora carries the danger of essentialising 'origins' and associating these communities with a place, a culture, a race and an identity as frozen categories, and ignoring the social processes of migration, adaptation and assimilation that are the historical experiences in the region, taking for example the Babas in Malaysia and Singapore. In this project we want to look at the social integration of new migrants taking Penang as the first example. What organizations do exist and are established by the migrants? Where do people meet? How do different communities integrate with locals and other migrants groups and how do modes of integration look like? Can we identify structures of living together? If yes, how do they evolve and look like? How do functional structures look like and develop?

Project 3: Cross Straits trading networks and regional market integration

Due to established trading relations, shared ethnic and cultural roots, as well as improved transport- and communication facilities, local traders in the Straits region serve and control not only short-distance trading activities but also the trans-boundary flow of commodities, knowledge and manpower. Taking the Batak people in North-Sumatra as an example, this work package will provide data about socio-cultural and economic aspects of local trading networks and the impacts and influences these networks actually have on the development or destabilization of the region. This will be accomplished by gaining primary data through empirical field research and supplementary analysis of secondary data.

Sustainability and Resilience in the Straits of Malacca

Coordinator: Dr. Anna-Katharina Hornidge

Summary of the research problems and goals

The areas bordering the Straits are rich in natural resources of high bio-diversity. Its richness in bio- and cultural diversity serves important livelihoods, social, economic and protective functions. It furthermore bears great potential for new knowledge industries (e.g. biotech industries), tourism development and further regional integration. There are thus several factors conducive to sustainability and development in the Straits region. However, there is also a multitude of threats with adverse implications for sustainability in the region and beyond. These encompass a high incidence of man made hazards of different kinds which leads to biodiversity loss, coastal change and general environmental degradation. On the other hand people develop resilience strategies to sustain their livelihoods, like subsistence production in combination with other sources of income.

State of the Art

There are many small-scale studies dealing with individual aspects of man made hazards. However, the interrelation between social, cultural, economic and natural aspects has been generally neglected. To date there are three comprehensive studies by Freeman (2003) Cleary and Chuan Gho (2000) and Ahmad (1997).

Project 1: Subsistence Production in the Straits Region: Survival in difficult environments

The financial crisis of 1997 and the current global financial crisis have revealed an amazing phenomenon: whereas large companies, especially in the banking sector have defaulted and the GDP of whole countries has declined, poor peasant households in certain areas have experienced increasing prosperity. As earlier studies have shown, these areas are typically peasant societies with a high degree of subsistence production. It is hypothesized that these societies and their local economies show resilience and even profit from economic downturns. When, due to problems of the world economy, imports are delayed, local production may prosper if supported by a strong subsistence sector. Subsistence production, i.e. non market production, where products are consumed by the producers, adds stability to both, rural and urban households.

As the economic and social processes of the subsistence sector are not well known, the project will investigate how subsistence production is embedded in the social structure, which household types are most productive, and which combination of market- and subsistence production shows the highest rates of resilience and productivity.

Selected case studies along the Straits of Malacca in Malaysia and Indonesia will investigate forms of subsistence production in difficult social and economic environments. The first stage of this project will use PRA methods mapping households by transect walks to obtain representative data sets. During the second stage, a typology of households will form the basis for a quantitative survey and in depths interviews.

<u>Project 2: Coastline change detection and impact assessment for sustainable management</u>

Land shortage is a major issue in Penang Island. As the terrain of the island is predominantly hilly, it has very limited land resources for development, and due to rapid urbanization and economic growth the demand for constructible surfaces is even increasing. Therefore, developers move to hilly areas and implement projects of land reclamation. In which the latter plays an important role in the development of Penang (Raman 2007).

Regarding the hill site development in Penang Island and the associated degradation processes, e.g. increase of landslide susceptibility, accelerated erosion, greater deposition and accumulation of sediments in rivers (siltation), studies have been published recently that address these issues .

However, extensive research on land consumption consequences on the coastal areas of Penang Island is missing so far. Coastline changes and associated changes in the coastal environment in Malaysia are due to a variety of dynamic processes and can either lead to erosion or accretion trends (Chalabi et al. 2006). Human activities impacting the coastal area and shoreline characteristics include land reclamation, development of steep coasts accompanied by erosion, highway construction as well as pollution of coastal waters from domestic waste, agricultural waste, farming and industrial effluents (Raman 2007, Sesli 2009). Natural processes altering the coastal zone include sea level rise, wave and tsunami impacts, siltation and others. Suggested procedure:

(1) Coastline change detection using multi-temporal satellite images and GIS
(2) Projections of future trends regarding coastline changes
(3) Twofold impact assessment based on expert interviews:
1.Assessment of underlying processes that led to coastline changes in the past
2.Assessment of impacts on development resulting from recent coastline characteristics and projected future changes

Coastal zones are ecologically and economically important due to their biological diversity, natural resources, socio-cultural heritage and economic significance. In order to facilitate sustainable management and infrastructure development, a spatial database on coastal geomorphology, coastline changes plus land-use and land cover aspects is required. Thus, GIS is considered to be a valuable tool for planning balanced strategies (Jayappa et al. 2006). Due to the high degree of utilization and the importance of the environs to various stakeholders (developers, industry, recreational users, fishers etc.) and public services, there is a strong social, economic, and political need for profound research in the coastal region (Talley et al. 2003). As changes in the shape of the coastline may fundamentally affect the environment of the coastal area, coastline extraction in various times is the first essential step to reduce coastal

vulnerability and ensure sustainability (Appeaning Addo et al. 2008, Alesheikh et al. 2007, Selsi et al. 2009).

<u>Project 3: Sources and forms of resilience to environmental hazards and political threats</u>

This project will conduct resilience analyses through several field studies at the local level. It will examine the degree and forms of resilience to the identified environmental hazards and political threats. Existing sources of resilience will be studied and their potentialities and limits assessed. Particular attention will be given to the role of diversity, knowledge systems and social and institutional learning for building resilience and adaptive capacities. What specific forms contribute to the building and strengthening of resilience and in what way? Furthermore, the role of formal and informal institutions at different governance levels is of particular interest. In depth case studies of successful resilience systems will be analysed in a second phase.

The Governance of Diversity: Regulation, Institutions and Contested Cultural Space

Coordinator: Prof. Dr. Moh. Azhari Abdul Karim

Summary of the research problems and goals

Given both the development potential and the vulnerability of the Straits of Malacca, its socio-cultural diversity as well as the threats to biodiversity, the region requires regimes of governance so as to reduce hazards, build resilience to unavoidable hazards and effect equitable and sustainable development. As we will show, the socio-cultural and the biological domains are interdependent in many ways and this has to be taken into account when designing interventions.

Existing governance structures will be analysed with view to their positive potential and recommendations regarding their strengthening and/or extension will be made. In this vein then our research program will help to provide solutions to theoretical as well as practical problems in governing highly diverse and vulnerable regions. We will also analyse the ideological basis of governance. Visions and regimes, specifically the cultural construction of the Malacca Straits area will be researched by looking at Malay (Nusantara and Alam Melayu), Islamic (Negara Islam) and Chinese conceptions (Nan Yang).

State of the Art

Regulatory regimes of the Straits have been discussed in various publications of the Malaysian Institute of Maritime Affairs (MIMA), e.g. Ahmad (1997). The recent book by Evers and Korff (2004) discusses the meaning and power of social space in the region. Islamic concepts are treated in a number of works by Clifford Geertz, Georg Stauth and other more recent works.

Project 1: Diplomacy in the Straits of Malacca: International conventions and their impact

There are various international conventions governing traffic and security in the Straits of Malacca. A study of these conventions, following up on Michael Leifer's earlier work (see: ISEAS (2004) *Regionalism & Southeast Asia, the Work of Michael Leifer, a Bibliography.* Singapore: ISEAS Library) will explore motives and results of the negotiations that lead to signing conventions such as the International Convention for the Safety of Life at Sea of 1948, the International Convention for the Prevention of Pollution of the Sea by Oil of 1954. Furthermore,

treaties dealing with load lines and the prevention of collisions at sea and the protection of biodiversity in the Straits area will be analysed.

Project 2: Governing ethnic diversity

Indonesia, Thailand, Malaysia and Singapore have developed distinct forms of governing ethnic diversity. The large number of ethnic groups has been categorized into several standardized ethnic groupings in order to reduce complexity to manageable proportions. The diverse management of diversity will be documented in the first phase of this work package.

During the colonial past of Southeast Asia, the colonial governments used the reduction of the cultural complexity of their colonies as a strategy of governance. The British in Malaya for example classified the native population into constructed categories of Malay, Chinese, Indians and 'Others'. And this despite ethnic diversity in the region being far more complex. In this tradition, today Singapore is a telling example of formally reducing ethnic diversity for efficient state governance by adopting the system of categorising ethnicity from the British and bringing people to act, dress and speak in uniform ways.

Indonesia is another example of integrating an area of extreme cultural diversity into an unitarian state. In Indonesia, diversity could not be 'talked away' with more than 100 ethnic groups living in the archipelago, but the state created a unifying model under the national Logo "Unity in Diversity". Every province can express its cultural complexity in identifying five cultural items to symbolize diversity and traditional ethnic origin: a dance, a costume, a song, a typical traditional house and a distinct cultural symbol. Thus, each province has a different set of items to symbolize diversity, but the set itself is standardized and a way of modelling diversity.

This way of modelling socio-cultural diversity in concentrating on interrelated cultural elements is a useful way of handling diversity, but also limits the landscape of possible local cultural specializations. Furthermore, such an inevitable decrease in cultural diversity opens the question of who has the power to do so and what are the long-term consequences? These issues will be taken up in the second phase.

Project 3: Malay, Chinese, Islamic and other conceptions of governance and cultural space

The area bordering the Straits of Malacca has been conceptualised in Hindu-Buddhist terms as the legacy of the maritime empire of Srivijaya, of the Malay Sultanate of Malacca, of a Malay Civilization (Tamadun Melayu, Nusantara), the Chinese South Seas (Nan Yang) opened by Admiral Cheng Ho and an Islamic realm following the ideology of a conservative Wahhabi Islamic interpretation. The contested cultural space has been a powerful force in political, social and economic movements and has led to various visions of governance on the regional and local level. The study will compare these conceptions of space and study their impact on shaping alternative models of governance of the area.

During the last thirty years, alternative models of governance have emerged in the region. In the case of Malaysia and Singapore, they are closely linked to formulating new ethic codes – "Asian values" - that attempt to create a uniform concept of nationhood being primarily concerned with developmentalism and rapid economic growth. The authoritarian state which blends ethnic

and cultural differences in one homogenous *bangsa* is also the aim of Islamic statehood theories. The *ummah*-wide adherence to the concept of *shariah* and Islamic teaching is supposed to unite all believers in one universal Islamic state. Attempts have been made in Southeast Asia to conceptualize this vision as a new "Caliphate state" across existing boundaries.

Both models are highly normative in nature and are major contestations of cultural space turning against the traditional conceptions of the nation state and western conceptions of individualism, democratic participation and civil society. Networking is part of these contestations as "unholy alliances" occur between institutions of the state and religious militants. "Troubled areas" as Pattani, Aceh or Mindanao which are high on the agenda of Caliphate theorists have experienced the emergence of business networks between the army and separatists that have replaced the lacking development commitments of the nation state. During the first phase the contours of the conceptions will be outlined. The second phase will address the impact of these conceptions on current policies for economic development and diplomatic relations.