**"Threats from the Periphery:
The Ambiguous Political Economy of Security in Southeast Asia's Borderlands"**

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Lecture

For his lecture on the political economy of security in Southeast Asia's borderlands, Justin Hastings examined three broad areas: (i) the legitimacy of the state in Southeast Asia, (ii) security threats stemming from the region, and (iii) transnational commerce links to the region and the implications for security.

Hastings noted that historically the borderlands of Southeast Asia were porous areas. Until the late 1870s, many colonial powers in the region failed to clearly demarcate their borders, perceiving the urban areas to be far more important instead. He argued that that had resulted in the phenomenon of 'dueling sovereignties'. The lack of clearly defined borders meant that disputes in these areas continued to date. It was difficult for any state to exercise external sovereignty when it did not have internal sovereignty over these disputed border areas. Consequently, states, with their notion of 'logic of control', moved to assert internal control and external sovereignty by installing formal, top-down, state-centered institutions. However, local actors continued with the 'logic of transnationality', that is, their informal social and economic networks to facilitate cross-border trade and movement that had been established long before the state.

Hastings explained that states had strong incentives to defend external sovereignty claims, and in light of a lack of internal sovereignty, territorial disputes often took on disproportional importance. As a result, states would implement bureaucratic hurdles and often expensive yet ineffective infrastructure to signal external sovereignty as well as gesture towards internal sovereignty. If these hurdles impinged on the operation of informal cross-border social and economic networks or increase transaction costs, local actors engaged in 'strategic hypocrisy', that is, they would create semi-formal ways for the informal networks to continue operating while perpetuating the formal institutions for show. Alternatively, they used formal institutions in an informal manner, that is, by paying others to help liaise with the formal institutions on their behalf. Hastings added that in order for the state to garner support from local populations, the state would not pursue those operating in the grey (and black) market in the border areas.

Turning to the problem of terrorist activities in the region, Hastings argued that such arrangements in the borderlands had implications on security. The nature and pervasiveness of state presence (or the lack thereof) as well as the institutionalisation and formality of cross-border trade networks could influence how terrorists would operate. Three case studies illustrated Hastings' point:

(a) *North Sulawesi – Mindanao*. In this corridor of social and economic networks, there was very sparse state presence as neither Indonesia nor the Philippines had sufficient resource to patrol the more remote areas. As a result, there was weak enforcement of security/sovereignty and the lowest cost option for the informal networks was to evade rather than co-opt the state. The trade conducted in this area was largely informal and supported by local populations and was built upon cross-border social, ethnic and economic ties, making the trade networks relatively exclusive. Accordingly, terrorist networks were deeply embedded in these areas. *Jemaah Islamiyah* (JI), for example, was based on both sides of the North Sulawesi – Mindanao corridor in the late 1990s and 2000s and was able to penetrate these informal networks by building up social and familial ties through marriage and social relationships.

(b) *Singapore – Johor – Riau.* In the Singapore-Johor-Riau area, there might be heavy state presence but corruption was still rampant. State outposts were pervasive but expensive to use. Unlike North Sulawesi – Mindanao route, the lowest cost option was co-opting the state rather than evading it altogether. The trade networks in this area were institutionalised, semi-formal and supported by local populations. The use of the networks in this area was based on market relationships. Terrorist networks were accordingly only lightly embedded in this area as many markets could be accessed without being embedded entirely. Indeed, JI operatives had managed to keep under the radar by separating themselves from local people and largely ignoring local ethnic, social and economic ties.

(c) *Sabah – Kalimantan – Mindanao.* The basis for informal networks in this area was strong cross-border ties. This allowed for transnational commercial networks to be established to facilitate illegal logging and people smuggling. JI used this corridor as a transit point for recruits and weapons. However, it was important to note that terrorist networks were not deeply embedded into the social, economic network of the communities here and had made informal use of formal institutions to keep down transactional costs.

Hastings concluded with a few implications for Singapore's national security. While Singapore might have the resources and desire to enforce Westphalian sovereignty along its borders, Malaysia and Indonesia had not echoed such a desire. Informal movement formed the basis for economic development in some areas and poor enforcement was therefore not simply due to corruption or weakness. Hastings suggested finding ways to bring informal cross-border trade networks 'in from the cold' as smugglers often had better on-the-ground knowledge than state agencies of what was being smuggled to/from where. Hastings also suggested finding ways to keep state transactional costs low so that formal institutions would not be bypassed. He also put forward the idea that Singapore promoted at ASEAN trade negotiations to not only eliminate tariff among ASEAN countries, but also simplify customs procedures and labour mobility.

Discussion

There was a question regarding the extent that communication technologies and other technologies of globalisation had impacted trade networks and whether they made terrorist operations easier. While mobile phones, e-mail and transport technology theoretically

facilitate movements around the world, they usually did not help with trans-border trading and movements. Many of today's transport technologies were controlled by the state, e.g. flying in a plane, making it difficult for terrorists to physically move from one country to the next unnoticed.

Another question was on the reliability of statistics of the informal trade networks. It was acknowledged that finding statistics on such a topic was very difficult. Often state institutions failed to accurately track legal trade, never mind the illegal ones. On the related issue of people trafficking in the region, it was highlighted that traffickers in fact often used legal state operations to move people around as opposed to the informal trade networks.