

The Indonesian President wrote an open letter to world leaders on the humanitarian crisis in Gaza.

Call for long-term peace effort in Gaza

By **SUSILO BAMBANG YUDHOYONO**
FOR THE STRAITS TIMES

ON MONDAY, after celebrating the joyous Islamic day of Eid al-Fitr with my fellow countrymen in peace and serenity, I could not close my eyes all night long. I watched on television the endless national and international reporting on rising human casualties in Gaza caused by violence and military actions. Most of those who died or were injured were innocent civilians who were powerless and helpless to escape from the deadly bullets and bombs. The screams of mothers who lost their children, as well as cries of helpless children who suddenly lost their parents, shook me to my deepest soul. I am convinced that anyone and any nation who witnessed this unspeakable tragedy will feel the same sorrow and sadness.

As President of the nation with the world's largest Muslim population, I cannot afford to be swept away by sadness and anger. I have actively pursued, together with my ministers and diplomats, diplomatic efforts, including with respect to the United Nations Secretary-General Ban Ki Moon, and Palestine President Mahmoud Abbas, but the evolving situation in Gaza keeps getting out of hand. Therefore, from Jakarta, I feel obliged to make a moral call to all nations and to world leaders, and specifically to the leaders of Hamas and Israel, to immediately halt the violence and tragedy in the region.

With this call, I hope that world leaders will spare no time to take common responsibility to work out or impose a ceasefire and end the indiscriminate military operations which are adding more casualties each passing hour.

With this ceasefire, it means that the Israeli strikes through air, sea, and land will have to stop. Likewise the rockets launched from Hamas' side must be ended, in order to avoid retaliatory action or a vicious circle of violence.

Although I am a Muslim, I realise full well that this conflict is

not a religious conflict. I do not associate my call and thoughts with Islam, Judaism, Catholicism, Christianity, and any other faiths or religious beliefs. The problems that we are facing now relate to the issues of humanity, morality, law, and war ethics, as well as actions from any side that have gone way beyond what is acceptable. This humanitarian tragedy and unbearable human misery is also attributed to the sense of responsibility from the leaders, which directly or indirectly has made this humanitarian tragedy an enduring problem.

To be clear, Indonesia has consistently and firmly supported the right of Palestinians to independence and statehood. The world community must work together to secure the birth of an independent and sovereign state of Palestine, recognised by the international community. It shall be an independent Palestinian state which lives peacefully side by side with Israel, and with other neighbouring countries. I am convinced that the "two-state solution" in a peaceful region is a realistic concept that can one day be attained.

All the horrific images of conflict, war, and violence that we have seen these days, and also in all these years, send the wrong message to our children, as if this is the way the world is. Whereas in the past decade, I have dutifully and tirelessly urged Indonesians of all faiths to always honour peace, brotherhood, tolerance and harmony. I have persistently fought against radicalism, extremism, and terrorism in Indonesia. I have been active in organising and participating in inter-faith and inter-civilisational dialogues within Indonesia as well as internationally.

I have tried my very best to initiate peaceful and democratic resolution to our conflicts, including in Aceh and Papua, communal conflicts, as well as disputes with other countries, including border disputes with neighbouring countries. I have done all I can to defend and preserve the moderate, tolerant and harmonious face of Islam against the global backdrop of rising radicalism, extremism and



A Palestinian man carrying a child, who was injured by what medics said was Israeli shelling during an Israeli ground offensive, from a hospital in Beit Lahita in the northern Gaza Strip yesterday. PHOTO: REUTERS

terrorism. I realise that we take none of what we have achieved for granted, and indeed we must continue our struggle to maintain and preserve the values.

What is happening in Gaza and other places in the Middle East or North Africa these days reminds us in Indonesia of the enormous importance that we must succeed as a nation in attaining our noble goals. What can I say to the hundreds of millions of Indonesians? This situation can lead to the growth of radical groups – in my country and possibly in other countries as well – who feel dejected and humiliated, and compelled to pursue their own course of actions to fight for justice.

I am certain that this same situation is also faced by other leaders, including political leaders, government leaders, humanitarian leaders, and even religious leaders. I am worried that pervasive indifference and lack of common responsibility will lead to the emergence of a hard generation marked by hatred and vengeance – even a generation with a thirst for blood and war.

If this is what transpires in the 21st century, the attainment of world peace and international security which forms the spirit and soul of the United Nations will only be more elusive than ever.

With all this, as Indonesia's leader, I propose that in the coming days, or hours, the decision-makers on international peace and security, particularly those in the UN Security Council, including those with veto rights, and the key countries in the Middle East, sit together and work out ways to

impose a ceasefire. This should be pursued as a "peace-making" effort. Soon after the ceasefire could be established, we must intensify efforts to provide humanitarian assistance and advance a political process in a more inclusive and conclusive fashion.

We have to ensure that after the tireless efforts to stop the war, the political process does not lose steam. They should not repeat past mistakes. Listen to the cries of the Palestinian people, particularly those living in the Gaza Strip, who have long suffered from the existing blockade, as well as to the views of Fatah and Hamas that can hopefully be more unified, realistic, and constructive.

Listen also to the hopes of the Israeli people so that they will not be haunted by fear permanently once their neighbouring Palestine, Insha Allah, becomes an independent and sovereign state.

The conflict between the two nations will be ended when Palestine's independence becomes a reality and Israel will no longer feel threatened by it.

Of course, it will be attained once Israel becomes more conscientious and imbued with good neighbourliness, and ceases acting superior to others because it feels militarily stronger.

Other countries too have to care, act and contribute to this noble cause. Indonesia stands ready to be involved in the process of ending this critical humanitarian tragedy.

Let us not miss this opportunity so that our future generations will not blame or condemn us.

have hit a new low and Qatar has no formal ties to Israel.

What this in effect means is that interlocutors have to talk to interlocutors to reach one of the two concerned parties – hardly a recipe for the kind of success that does not simply end the immediate bloodshed but creates the basis for a longer-term arrangement that has a chance of moving things forward.

The ideal solution would be to bring Hamas in from the cold. That is obviously, with the fighting on the ground, beyond the realm of the possible.

US President Barack Obama's approach prior to the Gaza crisis was, after Secretary of State John Kerry's failed effort to negotiate a peace agreement, to let the parties stew in their own mess.

Letting the parties stew fails to recognise opportunity and produces calamities like Gaza. A more constructive approach would be to recognise that neither Israel nor Hamas – two parties without whom a final resolution will remain an illusion – wants peace but does want a long-term cessation of hostilities.

Achieving that would constitute significant progress and make the massive loss of life less senseless.

stopinion@sph.com.sg

The writer is a senior fellow at the S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University in Singapore, co-director of the Institute of Fan Culture of the University of Wuerzburg and the author of the blog, *The Turbulent World Of Middle East Soccer*. The article first appeared in RSIS Commentaries.

Can mega-regionals deliver the goods?



S.E.A VIEW

By **RAZEEN SALLY**
FOR THE STRAITS TIMES

IN TRADE policy, the negotiating action is now in "mega-regionals" – big-block trade agreements revolving around one or more major powers. Asean is involved in two, the American-led Trans-Pacific Partnership (TPP) and the Chinese-led Regional Comprehensive Economic Partnership (RCEP).

Are mega-regionals good for trade and economic growth? Will they spur regional and global economic integration? Where does Asean stand?

As of last year, there were 261 free trade agreements (FTAs) in Asia, over a hundred of them operational. Asia's three major powers, China, Japan and India, are heavily involved. Among Asean countries, so are Singapore, Malaysia and Thailand.

Asean also has its own Asean Free Trade Area, now upgraded into the Asean Economic Community. And Asean has collective FTAs with China, Japan, South Korea, India, and Australia-New Zealand. The strength of FTAs varies enormously. FTAs with the United States are by far the strongest in Asia in terms of reach and the extent to which tariffs and non-tariff protectionist barriers are brought down. Despite this, these FTAs still contain exemptions for politically sensitive sectors, especially in agriculture, and are riddled with complex and discriminatory rules-of-origin requirements.

The rules-of-origin requirements are used to protect domestic industries.

Intra-Asian FTAs, on the other hand, are generally weak – they are "trade-light". The better ones remove tariffs on most goods, but they are weak on eradicating protectionist regulatory barriers in goods, services, investment and public procurement.

That is true of Chinese, Japanese and Indian FTAs, as well as the FTAs involving Asean as a bloc and Asean member states.

Overall, the new wave of FTAs since 2000 has not given a big boost to trade and foreign investment. Nor has it impeded trade growth. In general, the effects have been broadly neutral, or at best marginally positive.

Now attention has shifted to mega-regionals. There are three being negotiated: the TPP, the RCEP, and the EU-US Transatlantic Trade and Investment Partnership (TTIP).

If done cleanly and comprehensively, these mega-regional agreements would iron out distortions caused by multiple and overlapping FTAs among members. With a bigger integrated economic space, they can reap economies of scale and spur technological innovation. This is particularly important for global supply chains. Regional production networks, located in different parts of the world and linked up with complex logistics to serve global markets, are the biggest drivers of productivity, employment and growth in international trade.

Still, mega-regionals are not "multilateral": they discriminate against non-members. That is a big potential source of disruption to global supply chains.

Protectionist lobbies are another big obstacle. They include parts of agriculture and autos in the US, agriculture in Japan, government procurement in Malaysia, and state-owned enterprises in Vietnam.

The US insists on intellectual property, public health, labour and environmental standards, and rules of origin requirements that may impede market access for developing countries. And the Obama administration lacks Trade Promotion Authority from Congress, without which the TPP is unlikely to be concluded and ratified.

As for the RCEP, if it follows the pattern of other intra-Asian FTAs, it will remove tariffs on about 90 per cent of goods over a fairly long timeframe. But it will hardly tackle non-tariff protectionist barriers on trade in goods and services, foreign investment and public procurement, that are the key obstacles to trade in the region.

It might end up agglomerating the "noodle-bowl" of FTAs among members rather than ironing out distortions among them. In such a scenario, the RCEP will create little new trade and investment, and cause extra complications for global supply chains. But negotiations still have some way to go.

President Obama's leadership is needed to conclude a "high-quality, 21st-century" TPP – and open the door to eventual Chinese membership. Similarly, the Chinese leadership has to change its defensive approach on trade policy and inject more ambition into RCEP.

What should Asean and its member states do on mega-regional?

First, they should push for ambitious agreements that are wide (with maximum sectoral coverage) and deep (with strong disciplines on non-tariff protectionist barriers), with relatively simple rules of origin and open accession clauses for non-members. Only this type of mega-regional agreement is likely to create significant trade and investment, and facilitate the expansion of global supply

chains.

Second, they should back this up with intra-Asean measures, such as accelerating progress on the Asean Economic Community and strengthening provisions in existing FTAs involving the bloc and its individual members.

But it must be recognised that mega-regionals, and indeed other FTAs, are not a panacea. Political realities will inevitably dilute their ambition and quality. Given their gaps and distortions, they are unlikely to deliver the huge gains that many pundits predict. This applies to TPP, RCEP and the Asean Economic Community. The key policy implication is that Asean countries should forge ahead with unilateral liberalisation, without waiting for regional trade deals. That is how they integrated into global supply chains in the past.

stopinion@sph.com.sg

The author is Visiting Associate Professor at the Lee Kuan Yew School of Public Policy, National University of Singapore.

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Three mega trade agreements

THERE are three mega-regional free trade agreements being negotiated: the United States-led Trans-Pacific Partnership (TPP), the Chinese-led Regional Comprehensive Economic Partnership (RCEP) and the European Union-US Transatlantic Trade and Investment Partnership.

The TPP has 12 members – the US, Mexico, Canada, Chile, Peru, Australia, New

Zealand, Japan, Singapore, Brunei, Malaysia and Vietnam. It started earlier than the others and is the closest to completion.

RCEP's members are the 10 Asean countries plus China, Japan, South Korea, India, Australia and New Zealand.

Taken together, these three mega-regionals account for the bulk of world trade and gross domestic product.

By **JAMES M. DORSEY**
FOR THE STRAITS TIMES

AMID THE death and destruction raining down on the Gaza Strip, there is a sliver of hope. Seldom have the makings for a mutually agreed long-term arrangement that would give both parties a degree of stability and security, and allow for Palestinian, as well as Israeli, economic growth been better than today.

In fact, in a perverse way, the Israeli assault on Gaza has improved chances for such an arrangement by politically strengthening Hamas, the Islamist militia, which is no match for the Israeli military but has already scored a psychological victory.

Hamas demonstrated its ability to reach major Israeli cities with its rockets, infiltrate Israel proper, persuade international airlines to halt flights to Tel Aviv and put up fierce urban resistance inside Gazan towns.

Israel hopes to weaken and demilitarise Hamas but not totally eradicate it because that could open the door to more militant Islamist groups taking control of Gaza. In its view, a weakened Hamas would strengthen Palestine Authority President Mahmoud Abbas and either undermine the Palestinian position or render it incapable of negotiating a final solution of the conflict on terms remotely acceptable to Palestinians.

This would spare Israel the painful decisions it would have to take that are necessary for any definitive peace settlement to work,

such as the dismantling of Israeli settlements on the occupied West Bank and a shared future for East Jerusalem, both of which it conquered during the 1967 Middle East war. As a result, Israel's preferred solution for the medium, if not, the long term, is the status quo with effectively full control of the West Bank and a de-fanged Hamas.

For very different reasons and on different terms, Hamas shares with Israel the goal of a longer-term arrangement that would not force it to make political concessions, such as recognition of Israel and renunciation of the armed struggle. Hamas has repeatedly called for a 10-year ceasefire.

It recognises that Palestinians are in no position to persuade or impose on Israel terms that would guarantee a truly independent Palestinian state alongside Israel that would be anything more than a militarily weak adjunct of its powerful neighbour. Nevertheless, as in most armed confrontations with Palestinians and Arabs since the 1967 war, Israel wins militarily but loses politically.

If anything, that trend is even more pronounced in the current conflict against a backdrop of improved Palestinian military performance, however limited, and mounting international unease not only with the toll in civilian lives but also with Israeli policy towards Palestinian territories at large.

In addition, Hamas has increased street credibility while Mr Abbas has been rendered even more ineffective than he already was. Using the death of three kid-

napped teenagers as a pretext, Israel went on the offensive against Hamas even before it attacked Gaza to undermine the one effort by Mr Abbas and Hamas for the formation of a national unity government that could have enabled the Palestinians to negotiate a final solution to the Palestinian problem.

As a result, with neither party really interested in a final resolution, a long-term arrangement is potentially the best deal on the table. Nevertheless, a deal on a long-term ceasefire could well be stranded on issues such as the future of the seven-year-old Israeli blockade of Gaza that impairs its ability to freely import goods.

Other issues are Palestinian demands that it be able to build an airport and a port – requirements for economic growth that would complicate Israeli control. Only a mediator trusted by both parties would be able to explore whether those hurdles can be surmounted.

And that is where the problem lies. No single mediator – the United States, the European Union, Egypt, Qatar or Turkey – is able to talk with any credibility to the two key parties, Israel and Hamas. The US and Israel as well as various European countries refuse to engage with Hamas, whom they have labelled a terrorist organisation.

Egypt, while professing to sympathise with the Palestinians, is happy to see the Israelis do the dirty work for them in weakening what they see as an offshoot of the Muslim Brotherhood, the group it has banned as terrorists. Turkey's relations with Israel