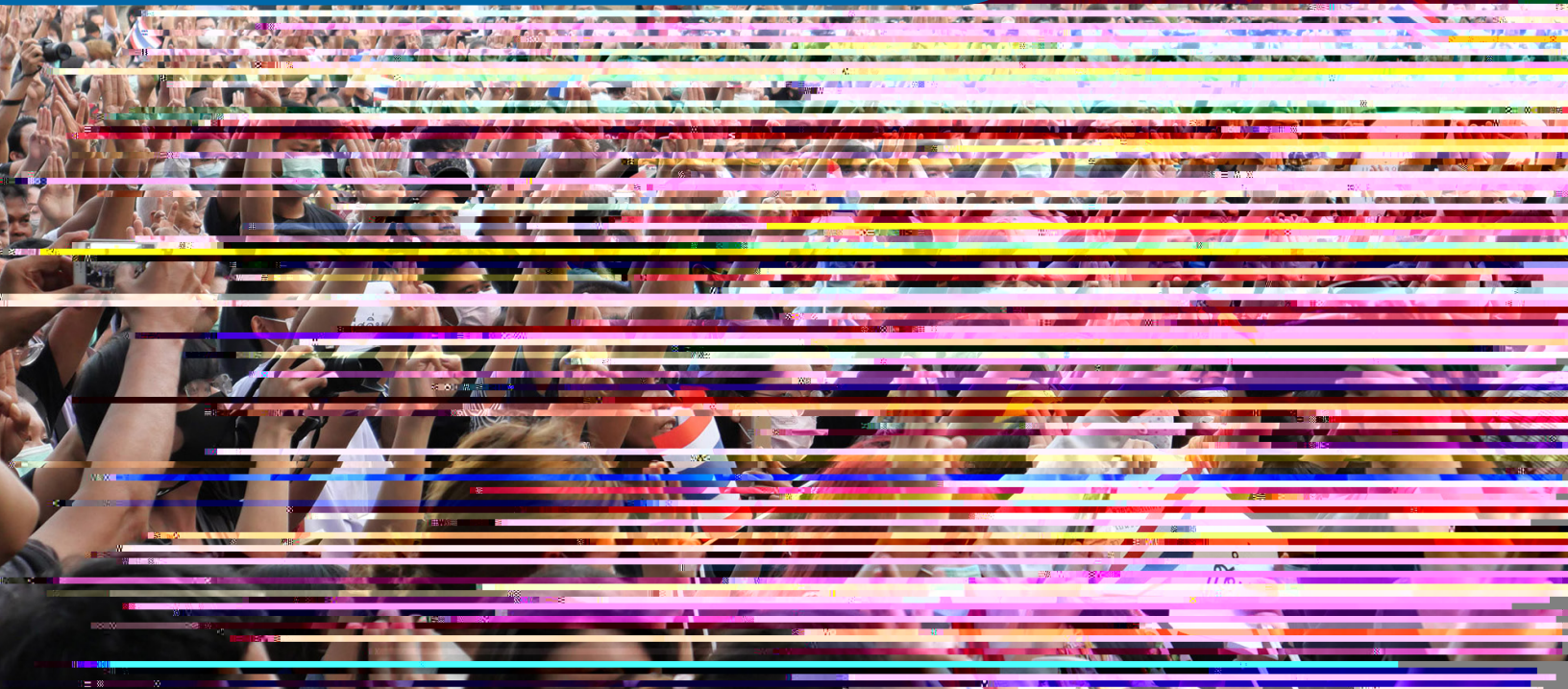


# Decoupling Southeast Asia: Between Discontent and Hope



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## EXECUTIVE SUMMARY

After periods of decoupling in Southeast Asia, a range of developments in the region—ranging from Malaysia's trade talks, rising inflation in Thailand, and concerns about Indonesia's decoupling—paired with broader trends such as a perceived global decoupling of U.S.-China regions, have coalesced to create a sense of what might be termed “decoupling discontent” in the region. Though this is a best-case phase with the broader region and a range of decoupling in Southeast Asia, this decoupling discontent is of great significance not just because of the high costs of rising inflation, but also due to the geopolitical implications of decoupling in Southeast Asia. Southeast Asia would have a strategic trend such as the U.S.-China competition, as well as other trends in the region that could shape the global cooperation landscape.

This report examines Southeast Asia's decoupling discontent and its strategic implications for the region. Drawing on primary data and feedback from officials and practitioners, it argues that Southeast Asia's decoupling discontent is rooted in several strategic dilemmas and challenges that need to be properly understood and addressed by regional states and external actors, including the United States and its allies.

## Key Findings

- The current phase of democratic transition in Southeast Asia is best framed as the region's broader experience of being caught between discontent and hope on this score.
- Democratic discontent in Southeast Asia is essentially understood in terms of aggregate data, but also the gaps between expectations and realities in the sub-region's ongoing experience with political development as well as socio-economic development.
- Democratic discontent in Southeast Asia is not evenly distributed. The emerging strategic discourse pits development, individual rights, individual liberties, regional integration, and the single global ideological competition.
- A key role of democratic discontent creates significant structural changes for Southeast Asia states and their role in the world, including domestic economic growth, foreign policy role, and regional centrality.
- Democratic discontent also creates opportunities for democratic advocates for the region and beyond. In particular, it can lead to scrutiny of governance changes, galvanize efforts to address issues, and provide a platform for outside actors to assist in this regard.

## Policy Recommendations

- Individual Southeast Asian countries need to be more attentive to addressing domestic economic growth and addressing the issues for global changes such as foreign interference.
- More democratic institutions in the region, such as Indonesia, need to promote their own and with others to advance democratic and human rights, as well as socio-political backwardness.
- Civil society groups need to continue to advance democratic with the sub-region, particularly in areas such as free press and disinformation that require a whole-of-society approach, as well as institutionalization of same cases such as corruption and rights.
- Other actors in the Asia-Pacific, including the United States and independent allies and partners, should intensify efforts to promote capability building, as well as assistance for more dependent areas and promote democratic and human rights.
- Established Western democracies should reinforce the benefits of democratic and a more contested ideological environment in Southeast Asia, both of their own and with established Asia democracies such as Australia, India, Japan, South Korea, and Taiwan.

## Introduction

While Southeast Asia has long posed a challenge to the world for democratic development and human rights, the past few years have seen participation in forecasts for the state of freedom in the region. A 9 T W G2J0. a3(atio of)20(e)UJ0 T\_w 0 -1.2731099

region states a direct impact on the United States and its interests.

Specifically, the report assesses the current situation. First, democratic development in Southeast Asia is evaluated based on a range of factors including economic growth, political stability, and the strength of democratic institutions. Second, democratic development creates economic growth for Southeast Asian states, it also presents opportunities for dialogue, for the region, and for outside parties by easing the transition to a more open and democratic society. Third, the findings of the report indicate that the impact of Southeast Asia's democratic development on the global economic system is significant. Southeast Asian states are seen as key actors across a range of areas, including the economic, social, and political spheres.

## Southeast Asia's Democratic Discontent in Perspective

Southeast Asia has long presented a challenge to the world for democratic development. A range of factors, including the economic development, the political stability, and the cohesion of the state, are the key elements of the current situation. After being initially considered the "second wave" of democratization in the 1940s and 1950s, economic development has been the dominant factor in Southeast Asia between the mid-1950s and mid-1970s. Despite continued efforts, Southeast Asian states, including the Bangkok Declaration in 1967 signed with the founding of the Association of Southeast Asian Nations (ASEAN), one of the countries in the region, have basic democratic standards as late as the early 1980s.<sup>2</sup>

The 1980s and 1990s heightened expectations for democracy in Southeast Asia and also gave rise to the significant regional realignment we see today. A series of uprisings—most dramatically the downfall of Ferdinand Marcos in the Philippines in 1986 and the deposition of Indonesia's President Suharto in 1998, but also others such as Timor-Leste's election in 2002—offered promise for the future of democracy in the region. But the evidence also points to this that, in the early 2000s, behind the continued resilience of Singapore and Cambodia, Laos and the subsequent democratic changes in Indonesia, the Philippines, and Thailand. Data in the 2000s and early 2010s showed a more mixed picture of ebbs and flows in the region—projected by the end of the decade in a few countries such as the 2006 coup in Thailand and Malaysia's democratic opening starting in 2011—rather than a realignment towards democracy.

The past few years have produced democratic setbacks in Southeast Asia. A combination of concerns with respect to Indonesia's elections—fostered by a combination of factors—has led to democratic

From 2014 to 2019 shows a period of decline and stagnation in the scores of Southeast Asia's total score relative to the increases recorded from 2009 to 2014.<sup>5</sup> Less dramatically, the Economist Intelligence Unit (EIU) analysis of Southeast Asia states that after a decade of straight increases from 2006 to 2016, 2016 saw a low score drop that took the region back to pre-2013 levels that it still has not recovered from despite slight rises since then. EIU data also shows that for the period of 2015-2019 more specifically, not a single Southeast Asia country recorded a steady set of increases or even a modest decline—rather a combination of declines of some kind. In this time, and in the case of Thailand, the increase was a consequence of a transition from authoritarianism to a mode of civil-liberal hybrid form of governance rather than a proper democratic form of governance.

To be sure, one ought to keep this sense of democratic discontent in perspective given both the broader trend of ebbs and flows of

Asia in the past, as well as the extent that certain deep-seated country-specific and regional-level trends can show or reverse the current trajectory.<sup>6</sup> But, there is enough evidence to suggest that the perception of democratic discontent in Southeast Asia is real and worthy of investigation: in terms of its sources, the opportunities and challenges it creates, and the policy implications that follow.

### Sources of Democratic Discontent

Given that democratic discontent is created and felt both in terms of perception, as well as reality, it is important to explore what its underlying sources are. While there are a host of different factors that can be listed to explain this, five principles stand out particularly in respect to Southeast Asia and the wider region as a whole: the erosion of traditional institutions, the suppression of opposition and civil society, the rise of illiberalism, growing regional competition to US and a downward trend in security, and declining global ideological competition.

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Widespread political discontent  
challenges the stability of  
regimes in the global  
South, and Southeast Asia's  
role in the U.S.-China competition.

headlines but a mere footnote in the search for a way to help address the needs and rights, be it the economic or political participation in the political process—often a matter of how, and how often, to be a part of the space. And CSOs also face their own set of challenges as well as those that should not go unrecognized, including those tied to financial restrictions on their freedom of action.<sup>26</sup> But the real issue is that it is a matter of the extent of democratic

While some of this involves initiatives that  
in developed democratic countries have to  
take into account the educational opportunities  
for collaboration. One basic line of effort is  
efforts to bridge the gap between democratic  
systems and the interests of the  
public in accessible, data-driven  
research of academic excellence that is  
available. Another is to encourage collaboration

## ENDNOTES

- 1 See: David Sater, *Democracy in Southeast Asia* (Cambridge University Press, London, 2010); Michael Vatikiotis, *Democracy in Southeast Asia* (New York: Routledge, 1996).
- 2 The Bangkok Declaration decided a reference to "secure for their peoples and for posterity the blessings of peace, freedom, and prosperity." See: ASEAN Secretariat, "The ASEAN Declaration," Bangkok, 8 August 1967.
- 3 See, for instance: The Economist, "Southeast Asia: Lots of Elections, Not so Much Democracy," March 26, 2018; Wilia Case (ed.), *Democracy in Southeast Asia* (London: Routledge, 2015).
- 4 See, for example: Siri Pitsara, Tsai Lecture at Harvard University, October 2017; Matt Natalegara, *Democracy in Southeast Asia* (Singapore: ISEAS, 2018). APHR, "Democracy and Human Rights at Risk as ASEAN Turns 50, Panelists Warn," ASEAN Panelists for Human Rights, September 19, 2017.
- 5 The combined scores of Southeast Asian states declined from 460 to 441 from 2014 to 2015 and remained stagnated at 444 for the years following before declining slightly to 445. This was a marked contrast to what had occurred between 2009 to 2014, when Southeast Asia's combined score had risen from 430 to 460.
- 6 As an example, the Varieties of Democracy (V-Dem) Institute analyses of Southeast Asian states show a chessboard pattern where, over a decade-long period, the number of changes are in Myanmar and Thailand, with no shifts detected with respect to other countries such as Indonesia and the Philippines. But this also deepens changes seen that decade-long period. See: V-Dem Institute, "Democracy Facing Global Challenges: V-Dem Annual Democracy Report 2019, 2019.
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- 16 See for instance: Thitiya Pongthira, "Going to the Competition Question," *Asia Dispatches*, January 24, 2020.
- 17 For a region-wide discussion of this point across the Indo-Pacific, see: Wiso Centre, "Geopolitical Implications of the Cooperation for the Indo-Pacific," Webcast, March 19, 2020. For Southeast Asia, see, for example, Brihanika Sira, "How the Cooperation May Change the Geopolitics of Southeast Asia," *Southeast Asia Morning Post*, March 23, 2020; and A. Sea Light and Brian Harding, "Southeast Asia Responds to COVID-19: Disruption in the Face of Adversity," *Centre for Strategic and International Studies*, March 27, 2020.
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- 20 See: Kriste Ha, "Change in Malaysia, Australia and Questions for Singapore," *Asia Dispatches*, March 27, 2020.