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Asia's Next Big Challenge:
To Balance Growth and Political Development

AEI Occasional Paper 26

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Asia's Next Big Challenge: To Balance Growth and Political Development

Primary Argument: Upon independence most Asian countries faced numerous political and economic challenges. For a number of reasons economic challenges especially the challenge of growing national economies became the foremost priority of governments. Notwithstanding continuing and new economic challenges, many countries have been quite successful in growing their national economies. That spectacular success, however, has masked a festering level of underdevelopment in the political arena. Political development is crucial but for a number of reasons has not commanded much attention among many governments in East Asia. Lack of or stunted political development can not only jeopardize economic growth and development but it can also breed conflict some of which could become violent. It is opportune now to begin addressing issues of political development. PD can prevent securitization of certain issues, foster peace and security at home and abroad, and support maximization of economic growth and development. If Asian countries are to realize their maximum potential and realize the dream of an Asian century they must focus on and be successful in both political and economic development. I must stress that I am not arguing for dropping the priority accorded to economic growth but my argument is for comprehensive development that prioritizes both economic and political development. Comprehensive development will make not only the realization of national goals possible and sustainable but it will also make the realization of an Asian century more possible. I will now proceed to develop my argument

Introduction

Most Asian countries gained independence from colonial rule only after World War II. Japan was not colonized but it emerged from World War II as a defeated country and was under American military occupation till 1952. China overthrew Manchu rule in 1911 but soon was engulfed in a civil war between the Chinese Communist Party (CCP) and the Kuomintang (KMT) that lasted till 1949. It also engaged in a full scale war against Japanese imperialism that lasted till 1945. Although the PRC came into existence in 1949, European colonialism in China did not end till the late 20th century. After 150 years of British colonial rule Hong

Kong was returned to China in 1997. After 442 years of Portuguese colonial rule, Macau was returned to China in 1999. Though not formally colonized Thailand was in reality a semi-colonial state. Many of its key Ministries were dominated by officials and advisers from the United States, Britain and France among others. At time of independence, most Asian countries were weak as modern nation states and had weak economies. They faced numerous political and economic challenges. Although the political dimension did initially receive attention, over time economic challenges, especially growing their weak economies, assumed great importance and became the foremost priority of many Asian governments. There may be many reasons for this. I will advance three.

1. Foremost has been the concern with political legitimacy or the right to govern especially in authoritarian states. Underlying the prioritization of economic growth in authoritarian states is the belief that satisfaction of economic needs would support the continuation of authoritarian political rule with public political participation taking a back seat. Such an assumption underlay Suharto's emphasis on economic growth in Indonesia and continues to be the basis for the CCP domination of politics in contemporary China. Economic growth is also important to strengthen legitimacy of democratic systems like those in Taiwan, South Korea, Japan and India. Generally there is a strong belief that citizens are more worried about their economic and financial wellbeing and will vote their pocket books. Hence the stress on economic growth. This approach is grounded in the view that sees humans more as economic than political animals.
2. A second reason is the genuine belief in the need for strong and growing economies. Economic growth is seen as vital to strengthening countries as states and nations and improving their international positions and security.
3. A third reason is that many political elites believe that a growing pie will help overcome domestic and international problems including political ones. There is an unsubstantiated but strong belief among many Asian leaders that economic growth will help overcome domestic and international problems including those that are political in nature. Hence the tendency to frame political problems as economic ones.

In varying degrees Asian countries have been quite successful in growing their economies. Japan rose from the ashes of World War II to become the world's second largest economy in 1968. Categorized as newly industrializing economies (NIEs) Taiwan, South Korea, Hong Kong and Singapore grew rapidly in the 1960s and 1970s. They were soon followed by the ASEAN four: Malaysia, Thailand, Indonesia and the Philippines which were labelled as NICs or Newly Industrialising countries. China began a period of rapid growth after the 1979 reforms and today is the second largest economy in the world. India began a period of sustained growth after 1991 and today is the fourth largest economy in the world on the basis of PPP. In 2000 East Asia accounted for about 26.5 % of the world economy. That compares with 10.4 % in 1950. This is a remarkable achievement. Some have labelled the rapid economic growth in East Asia as an Asian economic miracle. The Asian development Bank (ADB) projects that by 2050 Asia not just East Asia could account for about 50 % of the world GDP on the basis of PPP and will head in an upward trajectory toward the 60% share it held in 1700. Although it does identify risks and challenges likely to confront Asian countries, for the most part that projection is silent on issues of political development.

Although Asian economies have thus far grown at spectacular rates, it is important to recognize that they have and continue to face headwinds. Economic models that were successful in earlier years are becoming less relevant in a changing world necessitating the development of new models. China, for example, is in the midst of changing from an export-led growth to a consumption driven economy. It is unclear if China's rebalancing strategy will be successful and achieve a soft landing. However, what is beyond doubt is that the Chinese economy is slowing with far reaching domestic and international ramifications. Likewise the economic model that served Malaysia well in early years seems no longer adequate. The government is seeking to move up the value chain to make Malaysia a high income country by 2020. Apart from the changing international economic landscape, nearly all Asian countries still have considerable distance to travel before becoming developed, mature economies.

Many expected Japan to surpass the United States in the 1980s but Japan has since been mired in a stagnating and deflating economy. Based on linear projections,

there is now much talk about China overtaking the United States to become the world's leading economy in the next decade or two. That seems fashionable especially in Asia but also in certain quarters in the United States, Europe and Australia. I will not be surprised if China encounters a similar fate as Japan in the 1980s and 1990s. There is shortage of intellectual capital in China and more broadly in Asia to go beyond the catching-up phase and become world leaders in economic and other domains. Asian countries seem to be good followers and good in emulation but not in becoming leading and innovative thinkers and doers. In the economic domain Asian countries should strive for both growth and development. The goal should be to become mature, developed economies in the full meaning of that term.

Economic growth and development are important. Countries must continue to attach great significance to them. However, economic growth and development by themselves will of limited value if a country lags in political development. This leads to the primary argument of my lecture this morning. Political development is crucial. Without it economic growth and development will suffer. A legitimate and stable political order is required to maximise economic growth and foster the development of a mature economy. Development of political institutions and processes for managing change will prevent securitization of several issues as well. Political development will not only help in the realization of national goals but will also make more possible the realization of the dream of an Asian century. Thus it is crucial for Asian countries to pursue comprehensive development that encompasses both economic and political development. In my view, the next big challenge for Asian countries is political development.

What is Political Development (PD)?

Spanning the entire spectrum of issues relating to the making of nations and states as well as governance, PD entails the development of institutions and processes for the peaceful construction of strong, coherent nations, transparent and accountable states, as well as effective participatory governance and peaceful change over time in all these domains. For ease of reference it is possible to identify four key areas in PD: nation making, state making, governance and empowering citizens through the development of civil society.

Nation making is grounded in common history, shared destiny, and a set of beliefs. Nations are imagined and constructed. Nationalism precedes and constructs states on the basis of imagined nations. Please note that I prefer nation making to nation building. Why? Nation making is more neutral. Nation building is often deployed by governments as a good thing and it also implies one knows what one is building. But nation making is often a contested enterprise. No one knows for sure what the destination is or will be. It suffers many twists and turns. Further, nation building in multinational states on the basis of ethnicity or religion often implies destruction of other nations based on different ethnicities or religions. Nation making is more neutral although it is not fully free of the drawbacks I identified earlier.

State making includes development of political structures for the concentration and devolution of state power including arrangements for exercising options like federalism, genuine autonomy and even outright independence, separation of powers, system for acquisition and peaceful transfer of state power, and development of strong, impartial, and independent systems and state institutions to enable effective governance.

Though state making is a central pillar, PD is more than the development of institutions and processes for acquisition and exercise of state power as often implied in the literature. Democratic development in authoritarian and semi-democratic states, for example, is significant but only relates to the acquisition and exercise of state power. Equally important in political development is the domain of political and civil rights of citizens and their empowerment in nation making, state making, and in governance.

Governance can be discussed as part of state making but has been distinguished here a separate domain to ensure it receives adequate attention.

PD must cover all key areas and dimensions including the four domains I identified earlier. PD is not necessarily linear and is never ending. Success at one point does not guarantee continued success. There is also no cookie cutter approach to PD which will vary by country and system.

At base political development is about giving expression to the political aspirations of the people in line with the idea and principle that sovereignty in the contemporary era rests with the people. PD is a measure of the development and compliance with widely accepted institutions and processes for peaceful construction and change in forging nation and state, and for effective participatory governance. It requires leaders and peoples to believe in and effectively uphold the rights of peoples to make choices on fundamental political issues like national identity, elections, governance and administration. Despite their importance, the broad spectrum of issues covered by PD has received scant attention among Asian political elites. Why?

Why the lack of interest in political development?

The basic reason for inattention to PD is the unwillingness of leaders to recognize that people are sovereign and capable of making fundamental choices, and the concomitant belief that leaders know what is best for the people. Though leaders formally mouth and tactically deploy the principle of popular sovereignty, they do not fully accept the idea that sovereignty resides in the people they govern. Consequently their understanding of democracy, for example, is limited in many cases to the process of electing a government. Leaders do not envision subsequent roles for the governed in governance. Once elected they hold that the leadership has free rein to govern as it sees fit in the people's interest as defined by them. This view does not accept checks and balances. Leaders deploy state power including the police-military-legal apparatus to limit or manipulate public participation in governance as well as subsequent competition for state power.

That leads to another reason underlying lack of PD. That is the desire of leaders or parties in power to continue their dominance indefinitely and the accompanying fear that political development could lead to their ouster. This is likely the case with Communist parties in China and Vietnam and in several Southeast Asian countries. Political parties in these countries have engaged in fear and threat discourses to justify their continued political dominance. Implicitly or explicitly such discourses seek to inculcate the belief in the public that chaos and instability would be the norm without the guiding hand of the party in power. It is argued that only they are capable of maintaining the integrity of the country, maintaining

law and order as well as managing the national economy. Such discourses enable ruling parties to broadly castigate opposition parties as irresponsible and incapable of governing. These discourses are also deployed to justify restrictions on public participation and competition in politics. It is not incorrect to argue that successive generations of leaders in ruling parties and certain segments of the public have bought into that rhetoric leading to a strong preference for stability over change. They fear change because it is unknown or not familiar.

A third reason for de-emphasizing political development may be that it requires a mind-set change to accept outcomes hitherto considered unacceptable. Political development requires “new” understandings and imaginations of nations and states and a willingness to radically reform state institutions and governance. In an era of popular sovereignty and information diffusion, political development requires public participation especially in the competition for state power and in governance as well as widely accepted rules and processes for peaceful management of demands for autonomy or even outright independence for communities that seek separate nationhood. Incumbent political leaders are unwilling and/or unable to contemplate such rules, processes and outcomes. Hence they fear genuine political development and deploy state violence to deal with such demands in the name of national integrity, sovereignty and security. The scope of national security will be considerably narrowed in countries that have made substantial advances in political development. The United Kingdom, for example, did not deal with the desire of some segments in Scotland for separate nationhood as a security issue.

Another reason for the lack of PD may simply be a lack of comprehension of the importance of political development or the broad range of issues covered by that term. As alluded to earlier even scholars have often restricted PD to essentially a discussion of the system for acquisition and transfer of state power. More recently governance (exercise of state power) has begun to feature in the vocabulary of public multilateral institutions like the World Bank and the ADB as well as governments but more as a seal of approval and in an apolitical form. Notably nation making has been absent from discussions of political development. The

empowerment of citizens with political and civil rights is crucial as well but has been viewed with scepticism by many Asian governments.

For these and other reasons PD has been put on the back burner or has been defined in a restrictive manner with emphasis shifting to economic growth which is more visible. Rightly or wrongly many in Asia view economic growth as the primary purpose of government and believe that high levels of economic growth will be politically rewarding. However, this leads to what I term as unbalanced development.

Unbalanced Development

Nearly all countries in East Asia confront the problem of unbalanced development. They have achieved varying degrees of success in fostering economic growth but nearly all of them lag in political development. For ease of discussion I will group East Asian countries on the basis of their political systems. China, Vietnam and Laos are Leninist Party states while North Korea is a totalitarian state. Malaysia, Singapore, Thailand, Cambodia and now Burma are usually classified as semi democracies. Brunei is a monarchy while Japan, Taiwan, South Korea, Mongolia, Indonesia and the Philippines are in various stages of democratic development.

China

First I will discuss China as it is often portrayed as the leading Asian country and in several ways is demonstrative of the political development problems confronting Leninist states. China has the world's second largest economy but still lags in political development. It has not developed institutions and process for addressing basic problems in nation and state making. Beijing tends to address these problems primarily as threats to national security and has not hesitated to use military force in dealing with them.

Although formally China is a multinational or multi-ethnic state, in practice it is closer to a Han Chinese nation and state. Beijing views the make-up of the Chinese nation as fixed and does not entertain demands for genuine autonomy, let alone outright independence for so-called minority communities like the

Tibetans and Uighurs who resist Han Chinese domination and rule. Despite formal acknowledgement of China as a multinational or multi-ethnic state and articulations like one country two systems, Beijing's policy approach rests on the belief that there is only one (Han) Chinese nation and that there can only be one Chinese state. All other arrangements are temporary and tactical. On that basis Beijing views Taiwan as a breakaway province of China and seeks ultimately to unify it with the mainland if necessary by force. That also informs Beijing's rejection of democratic demands in Hong Kong. Beijing deals with Tibetan and Uighur demands for genuine autonomy as security issues and has deployed the PLA to crush such demands.

On state making Beijing has shifted the basis for political legitimization from Marxism and Leninism to economic performance, governance and nationalism. Despite contradicting developments in Taiwan and South Korea, the dominant belief among the political elite in China seems to be that as long as material wellbeing is improving the population will not concern itself with politics. Intent on preserving its dominance, the CCP has chosen to emphasize stability above all else. It seeks to preserve the political status quo by tinkering with representation, providing avenues for individual freedom and social mobility, separating party and government to the extent possible in a one party dominant political system, institutionalizing leadership change, and emphasizing good governance.

Concurrently it has cultivated a culture of apprehension and foreboding in the body politic strongly suggesting that chaos and instability will reign in the absence of the dominating hand of the Communist Party. In line with such thinking, dissent and alternative organizations have been ruthlessly suppressed at times in the name of ridding the system of corruption. Public political participation is highly limited and regulated. There is virtually no open competition for state power at the provincial and national levels giving rise to periodic power struggles within the CCP. The CCP views political development that could reduce its power or bring about its ouster from power and the fragmentation of Chinese nation and state as presently constituted as dangerous and unacceptable.

Political development in China has been deliberately stunted by the CCP which appears not to believe in the sovereignty of the people. Instead it emphasizes the supremacy of the CCP and believes that party leadership knows what is best for the people and country. In line with that it has emphasized and pegged its legitimacy to high levels of economic growth and good governance, thus far with a relatively high degree of success. Though appearing acceptable for now and even celebrated in some quarters as an alternative model of development, prolonged curtailment of political development in nation and state making and in the curtailment of political and civil rights of its citizens will in due course have political as well as economic ramifications that would threaten not only the CCP's hold on political power but also the make-up of the Chinese nation and China's national political map. Lack of political development will also limit China's capacity to withstand prolonged political crisis and economic reversals. For now most certainly many countries want to benefit from growth in the Chinese economy but very few or none would want to emulate its political order. Lack of political development undermines China's international power and attractiveness as a leader.

Southeast Asia

A similar situation prevails in many Southeast Asian countries nearly all of which emphasize economic growth as the key measure of development with PD taking a back seat.

Although timely and pertinent I deliberately limit discussion of Malaysia in my presentation but will be happy to respond to questions. Malaysia is in the midst of a national economic transformation program to make it a developed country by 2020. That vision of a developed country initially included political dimensions but over time the goal of a developed country has been interpreted essentially in economic terms: first as a developed economy and subsequently as a high income country. The incumbent government has increasingly staked its legitimacy and reputation on achieving the status of a high income economy by 2020. Though it has become more important and urgent, political development appears to have taken a back seat. It may even be sliding backward. Lacking effective institutions and processes for peaceful management of challenges,

and for fostering continuous PD, the country may experience years of political turbulence and instability with high economic costs before a turn-around is in sight. As I stated earlier although my discussion of Malaysia is brief, I will be happy to respond to questions about political development in Malaysia that relates to nation making, state making, governance and civil society within the framework of my paper.

Singapore: Challenges Ahead

I will now proceed to discuss the rest of SEA beginning with our immediate neighbour Singapore. Thus far Singapore has been a success story in nation making, state making and in governance. In the 1960s when Singapore was struggling to forge a national identity it was not uncommon to refer to Singapore as a Chinese city state. That is no longer the case. Today Singapore has become a distinct nation and state. Although the ethnic Chinese population still makeup more than 70% of its population and ethnicity continues to be an important political force, Singapore has become a multiracial country and a civic nation where citizenship counts for much more than ethnicity or religion. That success, however, does not imply continued success.

Singapore now faces a different nation making challenge emanating from the influx of foreigners and outmigration of Singaporeans. Having achieved a relatively high degree of success in creating a Singaporean nation based on citizenship and common destiny, the challenge now and in the foreseeable future would be to renew, remake and strengthen that nation in the context of influx of foreigners at a relatively rapid rate that appears necessary to realize the goal of high economic growth rates based on a certain economic model that places a premium on highly skilled foreign talent. Apart from creating value and identity dis-junctures, influx of foreigners is creating anxiety among mostly middle and lower income Singapore citizens about their place in the country. The out-migration of Singaporeans in search of greener pastures in the context of a highly competitive society with strict controls on freedom of expression at home and continuous redevelopment in land poor Singapore are raising fundamental questions of national belonging and identity. Singapore's "new" nation making challenges compare with post-independence challenges. Appearing sensitive to

the changing challenge, the PAP government has reduced the ceiling for intake of foreigners but that is only a start. The challenge is to make a nation that is comfortable with itself and at the same time is up to the challenge of growing the economy in a changing world.

Singapore's successes thus far has been due largely to the dominance of the vision driven People's Action Party (PAP) and the willingness of the public to support such dominance. However, it appears likely that the present strength of the system could be the cause of future weaknesses and liabilities. As in several other countries (like Taiwan, South Korea, Indonesia) the one party dominant system in Singapore appears likely to weaken and be transformed in coming decades. Although and because it has been in power since 1965 the PAP government cannot take its support for granted. The outcomes of the 2011 and 2015 elections offer conflicting evidence on public support for the PAP government. The 2011 election (dubbed as a watershed election by many parties in Singapore) saw the popular vote for the PAP shrink by about 6%. Viewing such decline and subsequent losses in by-elections primarily as a consequence of socio-economic grievances, the PAP sought to regain its stature and support through modification of socio-economic policies including its population policy, and continued emphasis on good governance. Political grievances that over time could loosen the PAP's grip on political power were not addressed, at least not overtly.

The success of the PAP in 2015 election may appear to vindicate such analysis. However, I believe the 2015 election to be an anomaly and not an indicator of strong support for the one-party dominant system that has prevailed in Singapore for the past 50 years. Notwithstanding arguments to the contrary, it is difficult to deny that the fusion of PAP with the wellbeing of Singapore has been undermined by the outcome of the 2011 election and may suffer further setbacks in due course.

Threat discourses based on survival are no longer credible to the present generation of Singaporeans. For a number of reasons disenchantment of citizens with their government appears likely to grow. Only expatriates and foreign governments continue to praise the PAP government but they do not elect it. Despite the efforts of the PAP government to counter negative effects (like corruption) and

develop substitute institutions (like feedback mechanisms, GRCs to ensure minority representation, non-constituency members of parliament (NCMP) and nominated members of Parliament (NMP) schemes to provide alternate voices in parliament), weaknesses of prolonged one-party rule in Singapore are likely to undermine the legitimacy of the one party dominant state over time. Vigilance and responsive socio-economic policies by the PAP combined with memories of mismanagement of GRC funds by certain opposition MPs along with uncertainties in the international environment may help tide the system over for a decade or so. However, persistence of the one-party dominant state would further reveal weaknesses of that system. The present political system like that of the earlier KMT era in Taiwan or that of Suharto in Indonesia appears highly unlikely to survive the ouster of the PAP from power. Declining acceptance of the one-party dominant state along with weak and incoherent opposition and the lack of experience with peaceful transfer of state power could make for political turmoil in Singapore in the years ahead.

Such a scenario may seem preposterous in the context of recent celebrations to mark Singapore's apparent successes in moving "from a third-world country to the first world" on the occasion of its 50th anniversary as an independent country but hard headed analysis would suggest that.

Likewise, though successful thus far, governance in Singapore is likely to face challenges most likely arising from the necessary dissolution of the fusion that has taken place over the last 50 years between the PAP and state institutions. Such dissolution would be similar to the situation in Taiwan when the KMT was ousted from office after being in power for about 50 years.

Singapore must now embark on political development to meet "on the horizon" challenges if it is to avoid future political turbulence and economic setbacks. Amongst others PD would include developing a political system that rests more firmly on the idea that people are sovereign and a genuinely competitive system that could well see more "real" opposition in parliament and possibly even the ouster of the PAP from power. Success in PD would require the political leadership to discard "old" visions, narratives and strategies; transcend short to medium term

party interests; encourage greater separation of powers, greater independence of state institutions, and greater public participation in politics; peacefully accept reduction in its power and possible even ouster from the political helm; and prepare for a new era that may possibly be less stable and less predictable.

To its credit, the PAP government has recently embarked on a study of political reform. Prime Minister Lee Hsien Loong addressed the Singapore parliament for 90 minutes emphasizing why political reform is necessary and outlining the changes he plans to make. It includes increasing opposition voices in parliament, supporting minority representation in parliament and government to ensure Singapore remains a multiracial country, and to ensure the elected president along with his/her Council of Presidential Advisors (CPA) can effectively perform his/her/their roles. It is a frank acknowledgement of the need for political development. I have not seen or heard any other Asian Prime Minister of President speak at length about PD in his or her country. If you have not seen or heard it, I strongly urge you to hear that speech.

Although I applaud and welcome that effort, I have several observations that I will outline here. First, PM Lee's PD speech is limited to the system for acquisition and exercise of state power. Even here it is limited in scope. Drawing on a 1984 speech by his father and using a preferred metaphor, he seeks to make the shoe (the Singapore constitution) more suited to local conditions and wearable. But the shoe must and will eventually wear out. It is imperative for Singapore to chart not just a way forward based on the existing system but also to chart an ideal destination that will be an inspiration to successive generations of Singaporeans. PM Lee's purpose is to make the system stronger to meet foreseeable challenges. Although he briefly refers to it, he does not discuss situations in which the PAP may no longer be in power. Therein lies the challenge for one party dominant systems. How does one make the system genuinely more competitive and ensure smooth and peaceful transfer of state power and governance in the event that the incumbent dominant party is ousted from office. No sitting politician would want to contemplate his or her ouster from power. However, if you put the nation above self and party, and desire to leave a lasting legacy then that is what one must contemplate.

Second, although PM Lee speaks of an open and contestable system that will serve all Singaporeans, he does not seem to attach great significance to the people or the fact that contemporary sovereignty rests with people. Like many Asian leaders he assumes people as being unable to make fundamental choices and emphasizes need to safeguard against unwise and transient preferences of the people. Third, he does not accept that politics is and will be messy. He is critical of the polarization and dysfunction that has taken place in US politics and government or the many leadership challenges that have occurred in Australia in the recent past. He argues Singapore cannot afford such luxuries. Despite perceptions and assertions to the contrary, PM Lee in his speech betrays the fact that he is still very much a technocrat or bureaucrat at heart. My general critique is that PD must address situations in which the ruling party may be ousted from power and the need to ensure smooth and peaceful transfer of state power and governance. Therein lies the challenge of political development in one-party dominant states. Finally PM Lee pays little attention to empowering the political and civil rights of people and enhancing their role in the competition for state power and in governance after an election.

Thailand's Rocky Road

The 2014 military coup was a huge political setback for Thailand. That coup along with the earlier coup in 2006 and more generally political developments since 2003 dashed hopes that the country was on its way to becoming a full-fledged democracy. In the absence of commitment on the part of political leaders, democratic institutions and processes that propelled earlier political development in Thailand seem no longer adequate. Political dynamics would appear to have outrun the system and its institutions. Despite its earlier commitment to reconciliation and a non-partisan approach to constitution making, the partisan and vested interest approach of the military to political reform since 2014 suggests that political development in Thailand continues to face severe challenges and is unlikely to make headway anytime soon. More political upheavals may be in store for that country which could be triggered by the demise of the much revered King.

The continuing violent struggles in southern Thailand also highlight the continuing challenges confronting Thai nation making that dates back to the eras of Rama

VI and Phibun Songkram. Despite its longer history (relative to its neighbours), nation and state making in Thailand continues to confront major challenges that cannot be resolved within the existing political framework or that being developed by the military. Fundamental change in narratives and leadership mind-sets are required but these may not be forthcoming in the foreseeable future.

Rest of Southeast Asia

Even in countries that have experienced recent regime change, political development does not appear to be high priority. Despite reforms since November 2010, political development in Myanmar/Burma appears to have hit a stone wall with the military intent upon continuing its firm grip on state power (for example, the military's opposition to amending the 25% quota in parliament that gives it veto power, refusal to amend the constitution to enable Aung San Su-Kyi to become president and stalling the peace process with so-called minority communities). PD in Myanmar has been deliberately stunted by the Tatmadaw (Burmese military) which believes that only it can preserve the integrity of Burma. The outcome of the recent election in which the NLD achieved a sweeping victory is demonstrative of the lag in political development in that country.

Myanmar also faces severe challenges in nation making. The so-called minorities in that country refer to themselves as nationalities and desire autonomy or outright independence that is denied by Naypyidaw. The violent conflicts between the Burmese government in the centre and the nationality groups in the periphery has been long running and is even older than the conflict over state making in that country.

For its part, Indonesia has made important strides in forging the Indonesian nation. The 1928 *Sumpah Pemuda* pledges loyalty to one motherland, one nation and unity. The Indonesian nation is based on citizenship not on the basis of ethnicity (Javanese, Sumatran Malay etc.) or religion. Although Indonesia has been quite successful in nation making, it faces challenges in accommodating diversity because of its commitment to a unitary state that eschews options like federalism and autonomy. These are crucial options for a civic nation state. Only after much bloodshed was autonomy granted to Aceh. That required an amendment to the

constitution. Indonesia is still unable to negotiate an autonomy arrangement with Papuans who still do not identify with the Indonesia nation. Indonesia is also in the midst of coming to terms with its Chinese population.

On state making Indonesia is touted by many as a success story in democratic development but that development is still fragile. Jakarta still has to come to terms not only with the Papuan demand for autonomy but also with the devolution of state power to local authorities including accepting options like federalism and genuine autonomy. Its historically rooted commitment to an unitary state is a major stumbling block to political development in that country. Indonesia also faces many challenges in building strong and effective democratic state institutions especially in ensuring democratic civilian control over the military.

Likewise the remaining countries of Southeast Asia including Brunei, Cambodia and Laos face severe challenges of political development.

Political development in nearly all Southeast Asian countries and China appears to have lagged economic growth. In some PD may be sliding backward. The present focus is on economic growth which leaders believe is the primary function of government and that success in that effort will be politically rewarding.

Partial headway in South Korea, Taiwan and Japan

PD appears to have made greater headway in Taiwan, South Korea, and Japan but only in selective areas and still suffers many weaknesses. Democratic transition and consolidation in Taiwan and South Korea have contributed to development of the state in both countries. Although democratic institutions and processes still suffer shortcomings, PD has enabled both countries to bring about regular peaceful change in the party at the helm of political power and to cope with economic reversals. Likewise, despite several weaknesses, participatory governance is also becoming the norm in both countries. However, both Taiwan and South Korea continue to confront formidable nation making challenges that have roots in their own policies as well as in the policies of hostile neighbouring countries which harbour alternative visions and seek to realize them if necessary by force.

Japan has the longest history as a modern nation and state in Asia. Despite that long history, Japan still confronts challenges in nation making issuing largely from stereotypical imaginations of who or what is Japanese. Nation making in Japan could confront even more serious challenges if some segments of Okinawan population seek separate nationhood and if there is no peaceful process to let such demands play out. Despite the still many crinkles, Tokyo has made progress in developing effective state institutions and a political system which enables regular competition for and peaceful transfer of state power to winning parties (for example to the Democratic Party of Japan in 2009). The political dominance of the LDP from 1955 to 1993 brought the weaknesses of one-party dominant system (especially political and fiscal corruption) to the fore leading to its splintering and losing power in the 1993 lower house election. Although the post 1993 system still suffers several severe shortcomings, it has ushered in a new era of competition for state power.

Those who prefer stability over change may well deride the frequent change of government in Japan since 1993 and Tokyo's inability to overcome its two decade-long economic stagnation (frequently dubbed the lost decades). However, taking a longer term view, it is possible to argue that developments since 1993 have strengthened strategic political stability in that country. Despite its imperfections, democracy has become the only game in Japan. However, Japanese political leaders and bureaucrats have to firmly commit themselves to the principle of popular sovereignty to further strengthen the Japanese nation as well as democratic institutions, processes and governance in that country.

The preceding discussion illustrates that political development is still weak and uneven across most Asian countries. In most East Asian countries PD lags economic growth. For a number of reasons, governments in those countries have emphasized economic growth as the key measure of development. Some even see it as a substitute for political development.

Why the unbalanced approach is not sustainable?

Privileging economic growth while side stepping or putting PD on the back burner is not a sustainable policy or strategy. Economic growth cannot substitute for

political development and is not the answer to domestic or international political problems. Moreover, economic growth at high levels cannot last forever. Almost certainly there will be downturns and setbacks that will raise questions about economic performance and delivery as the primary basis for political legitimacy. The key question is not what you have done for me over the last several decades but what have you done for me lately? Further economic growth without equality will undermine political legitimacy. For example, although the international community and certain segments in Indonesia lauded the sustained rapid economic growth under Suharto for 20 years, growing inequality undermined the legitimacy of the Suharto regime leading to its eventual downfall. Lack of political development under Suharto put his entire economic project and his legacy in jeopardy.

It should be further noted that the political institutionalization effect of economic growth is limited. It can strengthen some state institutions and make more resources available to those in power. Without political development, those additional resources may temporarily mollify but cannot resolve domestic or international political problems. Those problems require political solutions. Demands by so-called minority communities for political autonomy or even outright independence, for example, cannot be satisfied by economic largess alone. Framing political challenges as economic ones not only masks the real nature of problems but also complicates and possibly securitizes them.

More importantly humans are not just economic animals. As their basic material needs are satisfied, they crave political participation. The desire for political participation stems not just from the middle class as depicted in the democratization literature but from all classes including competing elites and working classes. Likewise good governance is crucial but it cannot be a substitute for political participation and competition for state power. In an era of popular sovereignty, demand for political participation, competition, devolution of state power, self-rule and governance that is transparent, accountable, participatory and effective are unavoidable. They cannot be ignored or suppressed forever. And success in one dimension alone cannot satisfy or eliminate demands in other dimensions.

Lack of or failure in political development has the potential not only to undermine economic growth but it can also make for conflict and instability. Securitization of political issues will become the norm broadening the scope of national security. It can prevent countries from realizing their full potential. In Asia this could mean that the prospect of an Asian century would remain a dream.

Moving forward

Political development is a must for countries and peoples to realize their full potential. Some may argue that political development is messy and may reduce the efficacy of economic development. However, lack of political development may put the entire economic project in jeopardy. I should stress here that I am not arguing for abandonment of economic growth and development as key national priorities. My point is the need for more comprehensive development that includes both political and economic development. Where possible the two should be mutually reinforcing. Economic growth, for example, is necessary to reinforce the legitimacy of political systems grounded in popular sovereignty. However, failure or set back in economic growth should not undermine the legitimacy of the entire political system. It should be possible to bring about peaceful change in government without putting the entire regime in jeopardy. That requires political development in the state making dimension. South Korea, for example, was able to bring about a peaceful change in government in the midst of the Asian financial crisis in 1998 without abandoning its political or economic systems.

Peaceful change is the key criterion of political development. Institutions and processes for peaceful change can prevent securitization of issues, narrow the scope of national security, and tap the potential of all peoples living within the territorial and legal boundaries of a country. However, such political development is hard requiring mindset change that is not easily forthcoming. Political elites must come to accept that nations, states, and political systems are not set in stone. And that no one or no party can remain in power for ever. Transformations in political systems and of the political map of countries are constants. Even a cursory look at history will reveal this. The key is to make such change non-violent and legitimate. Losing power in an election need not imply losing power forever. New imaginations of sovereignty that accept options like federalism and autonomy

need not necessarily lead to fragmentation of countries. Although the Scots and Quebecois have the right to secede from the United Kingdom and Canada respectively, they have chosen not to do so. Further, the aspirations of certain segments of Scottish and Quebecois peoples for separate nationhood have not been viewed as security issues by the United Kingdom or Canada demonstrating the state of political development in those two countries. The key is to give the people the right to make choices. Likewise, public expectations of transparency, accountability and effectiveness in governance are the norm in an era of popular sovereignty. The body politic will not forever accept ideas and policies that imply the government knows what is best for the people and country. Asian political elites must become more mature and accept “new” understandings of nations, states, political systems and governance. Though hard, political development is crucial if leaders are to truly serve the interests of the people they govern and leave durable legacies.

About the Author

Muthiah Alagappa (Professor Dato' Dr.) is Visiting Professor in the Asia-Europe Institute in University Malaya. Concurrently he is non-resident Senior Associate with the Carnegie Endowment for International Peace in Washington, D.C. Dr. Alagappa was the inaugural Tun Hussein Onn Chair in International Studies at ISIS Malaysia, Kuala Lumpur (2011-12). Prior to that he was Distinguished Senior Fellow at the East-West Center, USA, director of the integrated research program in East-West Center Honolulu, and founding director of East-West Center Washington. He has held visiting professorships in Columbia University, Stanford University, Keio University, and the Nanyang Technological University in Singapore. He was Leverhulme visiting professor in Bristol University in 2008 and the Kippenberger Visiting Chair in the School of Government, Victoria University, New Zealand in 2010-11.

Dato' Dr. Alagappa has published widely including in numerous refereed journals. He has edited several books and authored several chapters in each of those books. Several of his books have become key reference material in the field and are used widely by graduate students and researchers in Asia, Europe, the United States, Australia and elsewhere. These books include Political Legitimacy in Southeast Asia: The Quest for Moral Authority (1995), Coercion and Governance: The Declining Political Role of the military in Asia (2001), Civil Society and Political Change in Asia (2004), Asian Security practice: Material and Ideational Influences (1998), Asian Security order: Instrumental and Normative Features (2003), and The Long Shadow: Nuclear Weapons and Security in 21st Century Asia (2008), all published by Stanford University Press, California, USA. He has led several research projects and authored numerous reports including on Malaysian Foreign Policy and Strengthening International Studies in India.

Professor Alagappa was the editor of two book series. He pioneered the book series on Asian security and was editor of the Contemporary Asia-Pacific book series both published by Stanford University Press. He also initiated the Policy Studies series at East-West Center Washington and was editor of that series for about five years overseeing more than 50 publications. In addition he served in

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Prior to his academic career, from 1960 to 1982 Dato Dr. Alagappa served as a regular commissioned officer in the Malaysian Armed Forces. During his military career Dr. Alagappa commanded three signals regiments and held numerous line and staff positions including Army Representative in the Defense Planning Staff in the Malaysian Ministry of Defense. He was executive secretary for Project 75 (focused on reorganizing Ministry of Defence, Malaysia) and a principal author of the Special Armed Forces Development Plan (1979).

Graduating from the Federation Military College, Dr. Muthiah Alagappa has a Ph.D. degree in International affairs from the Fletcher School of Law and Diplomacy, Tufts University, and an M.A. degree in Politics from the University of Lancaster. He attended the British Army Staff College in Camberley, UK in 1973-74. Dato Dr. Alagappa's early schooling was in the Federation Military College (Boys Wing), Port Dickson, as well as in Clifford School and Gandhi Memorial Tamil School both in Kuala Kangsar, Perak.



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