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INSTITUTE OF STRATEGIC & INTERNATIONAL STUDIES (ISIS) MALAYSIA

focus

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Democracy is commonly held in international circles as one of three universal core values – along with the rule of law and human rights – that are essential for peace and security. Like many causal relationships, however, this proposition is not unassailable. Modern democracy comes in a bewildering variety and not all are stamped from the Western liberal democratic mould, which is the often-assumed standard bearer.

Even the Western liberal democratic model today is under threat with the rise of controversial right-wing governments and nativist political parties, and disregard for long cherished institutions and practices, even in the very heartlands that gave birth to these ideals.

Southeast Asian countries have not had the advantage of centuries to work out their preferred forms of political representation. Most are creations of only the past few decades and, in some cases, swing fitfully from one extreme to another.

What then are the implications for the region's peace and security? The cover of this ISIS Focus attempts to take a cursory look at some of the developments. Malaysia's first-ever transfer of political power, a peaceful one, caught the world's imagination in May of this year, bringing with it the prospects for fresh and much-needed change. Bunn Nagara covers this in his analysis.

We are deeply grateful to HRH Sultan Nazrin Muizzuddin Shah, Sultan of Perak Darul Ridzuan and ISIS Malaysia Royal Fellow, for allowing us to excerpt selected portions of his important address on democracy and the restoration of the rule of law in Malaysia.

Yet other political contestations have not been as cheerily received or thought of, and Muhammad Sinatra and Harris Zainul are cautious about the democratic payoffs in other Southeast Asian countries. The Indonesian presidential elections in 2019 are also covered with a look at the choice of candidates' running mates for vice-president (Muhammad Sinatra).

Other articles in this issue include those from speakers at the 32nd Asia-Pacific Roundtable on India (Dhruva Jaishankar), the Middle East (James Dorsey), the Philippines (Rommel Banlaoi) and the Korean Peninsula (Hoo Chiew-Ping), with our own researchers contributing on the Asia-Pacific Economic Cooperation (Dwintha Maya Kartika and Calvin Cheng) and the US-China trade war and ASEAN (Puteri Nor Ariane Yasmin).

As always, our sincere thanks to all writers and also to you our readers.

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CRISIS OF DEMOCRACY & THE RULE OF LAW

BY
SULTAN NAZRIN MUIZZUDDIN SHAH

It is no exaggeration to say that ours is an era of considerable political uncertainty – even crisis – on a global scale. Many countries today maintain the outward semblance of democracy and the rule of law, while at the same time rolling them back and undermining their key institutions. In the *2018 Freedom in the World* report, published by Freedom House, its president, Michael Abramowitz, reports: "Democracy is in crisis. The values it embodies – particularly the right to choose leaders in free and fair elections, freedom of the press, and the rule of law – are under assault and in retreat globally."

Freedom House's findings are that 71 countries experienced net declines in political and civil rights in 2017, compared to only 35 that registered net gains. This was, moreover, the 12th consecutive year in which global freedom experienced a decline. Recent reports by the respected International Commission of Jurists (ICJ) also speak of the growing encroachments on civil liberties, marginalisation and scapegoating of certain religious or ethnic groups, and the wielding of authoritarian power, often behind a façade of democracy. The ICJ have voiced concerns about executive interference with judicial independence in several countries, an action which directly undermines the rule of law.

The rule of law requires the effective separation of powers among the various branches of government – the executive, legislature and judiciary. This separation allows for a truly independent judiciary that is not only learned and wise, but also principled and courageous. It should also ensure that all persons, including governments, are held accountable to the law, no matter how powerful or wealthy they may be.

The acid test of the robustness of the rule of law in any society is the fate of the ordinary citizen, someone with limited means and without political power. Where the rule of law prevails, every citizen should have proper

access to the law, and be fully protected by it. But where the rule of law exists in name alone, there will inevitably be victims and victimisers.

Restoring the rule of law is always a far greater challenge than destroying it. It is not sufficient to tackle only the individuals most directly responsible for the breakdown of the rule of law. Institutions and processes must also be fundamentally reformed and strengthened in order to safeguard against relapse. This endeavour is likely to meet with fierce resistance, especially in settings where the networks and cultures of corruption and abuse of power have penetrated deep into the fabric of society, becoming almost de facto norms. The necessary institutional reforms may have to take place in the midst of such entrenched interests and determined pushback by those affected.

First, a separation of powers must be implemented as completely and effectively as possible within the limits of governing systems. In parliamentary democracies, control over the executive branch is the direct result of commanding a majority in the legislature. This fusion is said by some scholars of constitutional theory to make parliamentary democracies inconsistent with the principle of separation of powers. There is, however, growing evidence to suggest that parliament can and does influence executive decision-making in practice, with far more formal and informal contestation of power than might appear to be the case in theory.

The formation of bipartisan select parliamentary committees, for example, is a common practice in the Commonwealth. But the reports of such committees are not always given sufficient attention by the executive, a shortcoming that should be addressed. Easier parliamentary procedures should also be established to ensure free, conscience and secret voting on matters of overriding national interest. Members of the legislature owe their first allegiance to the nation itself, as set out in their oaths of office. For countries with bicameral parliaments, greater efforts should be made to ensure the effective participation of their Upper Houses, particularly where their roles have been reduced to mere formalism. So although some influencing of the legislature by the executive may be unavoidable, the separation of powers within government must be consistently maintained through these and other means.

A second important aspect, closely related to the separation of powers, is judicial independence. It is especially important in parliamentary systems, where the executive and the legislature are to some extent fused. Judicial oversight and review of constitutional and administrative law and practice on matters of national and public interest are essential to ensure that these comply with the spirit and substance of the law.

"Citizens must grasp that a robust rule of law means that they cannot pick and choose amongst judicial decisions, supporting only those which favour their own interests, and rejecting the very concept of the rule of law when it goes against them."

In keeping with human nature, even the fairest-minded of judges may be influenced and swayed by their own worldviews and personal predispositions. The judiciary should therefore be drawn from as diverse a range of gender, ethnic and cultural backgrounds as possible, to ensure the equitable administration of justice. The responsibility of choosing judges of quality and character is an onerous one, and this consultation should not be treated as merely procedural and taken lightly. It is also important for judges to have guaranteed security of tenure, so that they are able to conduct their work shielded from undue intimidation and fear.

As a third important step, countries should accede to and ratify existing international instruments, and ensure closer national compliance with them. Countries that have already acceded to these instruments should make greater efforts to reduce reservations and derogations from them, so as to give greater force to the international legal norms that they enshrine. They are the gold standard to which all nations must aspire.

Aspiration cannot remain as mere rhetoric however. It must rather be matched by sincere and strenuous endeavour to undertake the reforms that are necessary to achieve closer compliance with universal human rights and norms. If there is one international instrument to which all countries should voluntarily accede to out of a sense of enlightened national interest and on which countries should intensively cooperate, it is the 2003 UN Convention Against Corruption (UNCAC) – aimed at the prevention, investigation and prosecution of corruption, and the freezing, seizure, confiscation and return of its proceeds.

The fourth and final measure concerns the success and longevity of the reforms. For these to be sustainable, countries must work towards developing a "whole-of-society" approach to the rule of law. For too long, we have left the fight to jurists and the legal fraternity and activists of civil society, often at great personal sacrifice. But the rule of law and the administration of justice are far too important to be left to a select few. A whole-of-society approach recognises the crucial roles played by all stakeholders, individually and collectively, through civil society organisations, academia, the media and other channels, and also strategically coordinates them in meaningful ways.

Citizens need to recognise that democracy without the strong rule of law is merely demagoguery by another name. Voters must understand that their responsibility to democracy and the rule of law does not end at the ballot box. Voter education tends to focus on the holding of free and fair elections and little else. A healthy and functioning democracy is one in which the law creates a boundary beyond which none, no matter how powerful, may trespass without penalty. Citizens must grasp that a robust rule of law means that they cannot pick and choose amongst judicial decisions, supporting only those which favour their own interests, and rejecting the very concept of the rule of law when it goes against them. A whole-of-society approach, in contrast, requires that all develop an innate respect for the rule of law and for legal institutions, even when individual rulings contravene their own interests.

Wherever possible, we should then be brave and principled in our commitment to the rule of law, to uphold it and protect it, and to remain strong in the face of those who would rather subvert or ignore it.

Sultan Nazrin Muizzuddin Shah is the Sultan of Perak. This article is an excerpt from his keynote address delivered at the International Malaysia Law Conference (IMLC) 2018 in Kuala Lumpur on August 14

Southeast Asia's DEMOCRATIC CONUNDRUM

In May of this year, *The Economist* ran a column entitled "South-East Asia: lots of elections, not so much democracy". From the columnist's vantage point, the region is experiencing resurgent authoritarianism, violations of the rule of law and human rights abuses despite the holding of regular polls. Ditto, it might be added, for more than a handful of Western countries.

Hailing the peaceful ouster of the United Malays National Organisation (UMNO) in truth, the Barisan Nasional (BN) coalition in Malaysia's 14th General Elections on May 9th as a "democratic achievement", the column nonetheless warned that the win "may not turn out to be quite the game-changer it seems".

Many Malaysians will beg to differ, but some caution does seem warranted. Harris Zainul and Muhammad Sinatra write that "(i)t is sometimes assumed that it is just a matter of time before these (Southeast Asian) countries would almost automatically transform into prosperous liberal democracies such as those in the West. While that is not impossible, it is not certain. And such expectations could turn out to be completely misplaced."

The assumption that democracy must always and everywhere lead to inclusive, moderate and fair governments is an unsafe one, and this applies not just to Southeast Asia, but also in the very heartlands of liberal democracy.

In his Royal Address to the International Malaysia Law Conference (excerpted in this issue), His Royal Highness Sultan Dr Nazrin Muizuddin Shah, cites Freedom House's 2018 report and International Commission of Jurists findings that show a global and sustained retreat of democracy and the rule of law. Southeast Asia is not an outlier after all.

After the People Power Revolution drove Ferdinand Marcos from power in 1986, the Philippines went through a long, if often fractious and troubled, era of liberal democracy. Corruption, abuses and warlordism continued to dog the country even under the presidency of Benigno Aquino III (2010-2016) when the country's economy became a darling of investors.

In 2016, President Rodrigo Duterte was elected with a decisive 6.6 million vote margin. Duterte was viewed as a strongman from outside the system who was willing to fight corrupt politicians and bureaucrats for ordinary citizens, even if it meant going against international norms. This has proven correct and his policies, rightly or wrongly, have earned him international criticism and disdain for human rights violations.

Indonesia's democratic transition in 1998, after the late President Suharto stepped down, has not been up for as much questioning, but recent trends are still of concern. Since taking office in 2014, rock music-loving President Joko Widodo has had to contend not only with traditional political rivals but the fast-rising influence of Islamic conservative parties as well.

The sequestration of state power by those wielding religious authority has led to growing intolerance of religious minorities and those whose public and private lives these religious

conservatives object to. Muhammad Sinatra's earlier analysis was that if Widodo feels that his chances of re-election are best served by picking a vice-presidential candidate with unimpeachable Islamic credentials, he is likely to do so. By picking Ma'ruf Amin, a hardline cleric, as his running mate in the 2019 elections, Sinatra's prediction appears to be coming to pass.

Myanmar was Southeast Asia's democratic poster child when Aung San Suu Kyi's National League for Democracy (NLD) swept nationwide elections in 2015 and decimated the military-backed Union Solidarity and Development Party (USDP). Since then, however, this glow has all but disappeared despite some of the fastest economic growth rates in the region. There is perceived weak enforcement of laws, arrests of political activists and clampdowns of media freedoms, most recently when two journalists were jailed for seven years for reporting on massacres of Rohingya Muslims in Rakhine State.

Without doubt, the government has come under the most fire for the genocidal attacks on the Rohingya, which led to a mass exodus of 700,000 to Bangladeshi camps. (Not as well covered are conflicts with ethnic minorities in Kachin and Shan.) In August 2018, a UN Independent International Fact-Finding Mission on Myanmar called for the country's top military leaders to be investigated and prosecuted for genocide. Still, by most accounts, residents in Rakhine and elsewhere throughout the country, mostly Buddhist, support government actions on security grounds.

Thailand has oscillated for decades between military rule and democracy to the point where it is the subject of humour among its people. Now run by the military-controlled National Council for Peace and Order (NCPO), the promise of free elections has been made and broken multiple times since 2014, and it remains to be seen whether it will be kept.

Like Myanmar, a military-drafted Constitution, passed in 2016 and signed into law in 2017, ensures that the military junta will remain in control even should other political parties wrest the most seats. Constitutional provisions shield the NCPO leaders from human rights violations and there have been reports of repression against the media, political activists and academics.

Cambodia has been the latest to hold elections (July 2018) and Hun Sen's Cambodian People's Party (CPP) won every one of the 125 seats in the National Assembly after the main opposition party was dissolved and its leader arrested. The United States, European Union, Australia and Canada are among the countries that have dismissed the election results and threatened to impose sanctions.

The Communist regimes of Vietnam and Laos are effectively single-party states, while Brunei Darussalam is an absolute monarchy that runs in accordance with Islamic hudud penalties. They cannot be said to have retreated from democracy since they never embraced it in the first place.

Bunn Nagara writes that "no democracy need conform to a Western template to qualify as a democracy because each democracy is unique. It is part of a country's political culture and societal milieu". This is certainly true. Each is a product of local values, beliefs and attitudes, both innate and constructed.

This begs, however, the larger question whether demands for good governance, equality and fair treatment in the eyes of the law for all citizens are natural outcomes. The answers, in this regard, appear mixed.

Singapore is not considered by many to be a full-fledged democracy by any means, but it has been careful to be seen to steer close to the letter of the law, mindful of its international reputation as a financial centre. Accusations that the government tilts the balance in favour of the ruling People's Action Party (PAP) may be truer than not, but not in as blatant a manner as other countries. By being very hard on corruption and demanding on governmental performance, a majority of voters back the PAP.

Given the very high expectations of largely urban electorates and an anticipating international audience, "New Malaysia" will probably disappoint. Those hoping that the change in government would lead to a total break with past governance practices and more open, transparent and liberal political culture have already seen quite a few setbacks and disappointments.

Still, measures to repeal repressive laws, re-institute the rule of law and undertake institutional reforms are taking place. As HRH Sultan Nazrin notes in his Royal Address, reforms are almost always fiercely resisted especially where networks and cultures of corruption and abuse of power go deep. The current Pakatan Harapan government would be the first to admit that the problems do indeed go deep and that time is needed to correct them. Time, however, can also be an enemy and stymie efforts. The story unfolds.

The 2007 ASEAN Charter states that one of ASEAN's purposes is "to strengthen democracy, enhance good governance and to promote and protect human rights and fundamental liberties, with due regard to the rights and responsibilities of the Members States of ASEAN". This cursory survey would suggest that this is still incipient or work-in-progress.

Former ASEAN Secretary-General and Thai Foreign Minister, the late (and sorely missed) Dr Surin Pitsuwan, once stated at the Asia-Pacific Roundtable that democracy is "a bit like driving a car uphill. You have to keep your foot on the gas otherwise democratisation will go into reverse."

Given the existing diversity of political structures and practices in the region, some scholars suggest that Member States step on the good governance gas pedal instead of the democracy one. Whether one can be achieved without the other, however, is the conundrum that the region faces.

/ *Southeast Asia* /

ARE WE NEARLY THERE YET?

Three ASEAN countries – Malaysia, Indonesia and Myanmar – are thought to be on the road to deepening democratisation. But there are bumps on the way. And there is no certainty about the destination. Will they ever turn into liberal democracies on the Western model?

BY
HARRIS ZAINUL & MUHAMMAD SINATRA

FACT: Of the ten countries in ASEAN, five – Brunei, Vietnam, Cambodia, Laos and Thailand – do not currently hold competitive elections. Of the remaining five, two, the Philippines and Singapore, do not demonstrate any shift towards deepening democracy despite their relatively open system. This is in contrast to the remaining three countries – Malaysia, Indonesia and Myanmar – which, at least at face value, are encouraging examples of states that are undergoing or have undergone major changes in their relationship with democracy.

Further examination of those three countries, however, reveals that despite their increasing democratisation, full maturation into full liberal democracy status is a complicated, and not necessarily a desired, process. A thorough examination of all the facets of a democratic system is beyond the purview of this article, but elements such as free and fair elections and media freedom can serve as useful barometers for the wider state of democracy in a country.

Firstly, the importance of free and fair elections cannot be understated, as it ensures the legislature is representative of the people, is responsive to the will of the people, and that political power resides with the people. In determining whether the elections held are free and fair, there has to be a neutral body administering elections (free), and all candidates regardless of political party compete equally (fair).

In this sense, Indonesia has achieved a lot. The Habibie administration, in its mere one year in power (1998-1999), institutionalised greater political participation, reduced the number of seats in parliament allocated to the military from 75 to 38, banned civil servants from joining political parties, and established the General Election Commission to ensure the neutrality of elections.

Following these reforms, the first post-Suharto general election took place in 1999 without bloodshed or state intervention and was scrutinised thoroughly by the newly established General Election Commission and domestic non-governmental organisations. Between 1999 and 2014, four more national elections have been conducted, with the 2004 election marking the first time the voters directly elected their president. The general election law has also been progressively modernised to regularise the parties' eligibility to compete and to allow simultaneous multi-level elections across the country.

Across the Straits of Malacca, the 14th Malaysian General Election saw the Barisan Nasional (BN) coalition being voted out of power for the first time in more than six decades. Despite the results, it does not mean that up until now Malaysia has had either fully free or fully fair elections. The facade of competitive elections has always been present, but in reality many of the facets necessary to guarantee genuinely competitive democracy have either been absent or have been co-opted.

This claim is evidenced by the widely acknowledged gerrymandering and malapportionment of parliamentary seats to the supposed advantage of the previous incumbent; the decision to hold the General Election on a Wednesday, presumably to

inconvenience and discourage voter turnout; the late delivery of postal votes to those living abroad; the suspension of Parti Pribumi Bersatu Malaysia by the Registrar of Societies; and relatedly, the Registrar's new rule prohibiting pictures of officials besides the President and Deputy President of the party standing in a particular constituency being used in campaign materials.

In Myanmar, the 2015 General Elections was widely acclaimed as being generally fair and competitive. It saw Aung San Suu Kyi's National League of Democracy (NLD) win an overwhelming majority of seats in both houses of parliament. While this demonstrates a healthy and competitive democracy, it would be remiss not to mention the fact that the Tatmadaw (the military), due to provisions in the 2008 Constitution, still occupies 25 percent of seats in in both houses, which places a limit on full democratisation.

Further, there is the fact that over 100,000 eligible voters living in various townships in Myanmar's Shan State were unable to take part in the elections due to the conflict between the army and the Shan State Army-North, the armed faction of the Shan State Progressive Party. Besides this, minority groups, particularly the Muslim Rohingya living in Rakhine State, were also unable to vote due to the 2015 Presidential Decree revoking their temporary identification cards which had afforded them the right to vote in previous elections.

Secondly, media freedom is critical to a democracy as it allows its members to act as the fourth estate – ensuring the accountability of all arms of government, while at the same time, creating an electorate that is well informed on issues, which allows voters to perform their democratic duties better. Towards this end, the media should be free from legislation that affects their ability to report matters of national importance, which often have political implications.

In Indonesia, President Habibie's introduction of the 1999 Press Law abolished state control over the media. Although considered as potentially the strongest in the region, Indonesia's press was rated as only "partly free" by Freedom House in 2017. Reasons for this include the limited access to cover human rights abuses in Papua and the overly broad Electronic Information and Transactions (ITE) Law. Under the ITE Law, those found guilty can be liable for imprisonment of up to four years or Rp 750 million in fines. Consequently, it casts a chilling effect on the freedom of speech in Indonesia and caused journalists to engage in self-censorship for fear of running afoul of regulators.

"For better or worse, the inflated expectation for Southeast Asian countries to embrace and deepen democratisation can be attributed to an unhealthy reliance on historical determinism"

The state of press freedom in Malaysia remains unclear, but there is optimism that it will improve. This is because while the Pakatan Harapan (PH) government has repealed the Anti-Fake News Act 2018, a slew of laws that cast a shadow on media freedom remains. Among them are: Section 499 of the Penal Code that provides for criminal defamation, Section 3(3) of the Printing Presses and Publications Act 1984 that provides the Home Minister with discretion over publication permits, Section 8A of the same Act that criminalises the dissemination of "false news", the vaguely worded Sedition Act 1948, and Section 233 of the Communications and Multimedia Act 1998 which criminalises electronic communications that are deemed to be offensive, and could cause annoyance to another person. While the PH government has pledged to abolish legislations that restricts freedom, it remains unclear as to how far this will go, and which legislation are going to be repealed.

In comparison, media freedom in Myanmar remains grim. The reason being that despite the country being under democratic governance since March 2016, Section 66(d) of the Telecommunications Act 2013 continues to be used to quell dissent. The law, providing for up to three years imprisonment for "extorting, coercing, restraining wrongfully, defaming, disturbing, causing undue influence or threatening any person using a telecommunications network", has been alleged to be an overly broad piece of legislation that muzzles media freedom. Making matters worse is the fact that anyone, even individuals other than the person who was allegedly defamed, is allowed to file a complaint under Section 66(d). In fact, the law has been invoked more times during NLD's governance between 2015-2018 (more than 100 cases) than the 2013-2015 period (around 11 cases) under the military-backed Union Solidarity and Development Party. Furthermore, the vaguely worded Article 505(b) of the Myanmar Penal Code that criminalises the act of publishing or circulating information "with intent to cause fear or alarm to the public" has been retained by the NLD government, despite it being commonly used to silence critics.

Besides these issues, corruption and race-based politics also serve as an impediment towards the deepening of democracy in the three countries. The prevalence of corruption and the client-patron network in all levels of society, including many among political elites, makes it harder to put in place much needed reforms. Similarly, the growing presence of race- and religion-based politics sees the majority of the population, the Muslims in Indonesia and Malaysia and the Buddhists in Myanmar, seek to ignore the rights of minorities that should supposedly be guaranteed in a democracy. These factors prevent enlightened norms from taking root, and leave these countries short of the rights peoples are entitled to in a democratic system.

So despite these three states being encouraging examples, it is clear that the road towards deepening democracy remains long. At the same time, perspective is important. Democracy in the three countries was only introduced following the conclusion of World War II. By comparison, the United States and the United Kingdom, which have far longer experiences of democracy, are still plagued by forces not wholly dissimilar which aim to destabilise democratic values, principles and systems.

For better or worse, the inflated expectation for Southeast Asian countries to embrace and deepen democratisation can be attributed to an unhealthy reliance on historical determinism. Based on the belief that historical, and by extension present and future events, will unfold according to a predetermined arc, it is sometimes assumed, often naively, that it is just a matter of time before these countries would almost automatically transform into prosperous liberal democracies such as those in the West.

While that is not impossible, it is not certain. And such expectations could turn out to be completely misplaced.

Harris Zainul is a Researcher in Economics, Trade and Regional Integration and Muhammad Sinatra is an Analyst in Foreign Policy and Security Studies, ISIS Malaysia

What's the matter with Indonesia's VP picks?

The expectation towards Indonesia's political maturity is somewhat stymied by the surprising emergence of both Jokowi's and Prabowo's respective running mate for next year's Presidential Election. Meritocracy appears to be missing from the consideration in selecting these vice-presidential candidates.

BY
MUHAMMAD SINATRA

The race towards RI-1 and RI-2 is almost at its starting point as President Joko "Jokowi" Widodo picked Ma'ruf Amin to be in the incumbent ticket while Sandiaga Uno emerged as Prabowo's company in the contest.

Already inundated with drama and speculations, the announcement of both vice-presidential picks further elevated the hype surrounding Indonesia's 2019 Presidential Election, considering the allegations about how both Ma'ruf and Sandi used extraordinary means to secure their nominations, which are covered widely in the Indonesian media.

Yet beneath the pomp and bombast, their participation in the race is a telltale sign that meritocracy is still a sidelined variable in the country's political scene.

As the chair of Majlis Ulama Indonesia (MUI), Ma'ruf Amin might have legitimised the president's Islamic credentials with his status as a respected senior cleric in the country. His visions if elected – including attaining social cohesion, strengthening the economy and upholding the rule of law – however, appear out of synch with his past actions and reality on the ground.

His dream of creating a cohesive society would compel him to go beyond just fostering tolerance among major religious groups. He must also address the issue of persecution – often by Muslim groups – against the minorities within the minorities, such as the Ahmadiyyas, the Shiites and the LGBT community. Unfortunately, his calls to ban or even criminalise these ultra-minorities do not necessarily inspire confidence and he might find himself reluctant to oblige those in

his political base to stop these persecutions.

Neither does his proposal of the sharia-guided *ekonomi keumatan* (populist economy – for lack of a better translation) appear as an antidote to some of the politicised economic issues that are destabilising Jokowi's footing. As attractively Islamic as it sounds, it remains to be seen whether the proposed economic system could complement ongoing efforts to relief Indonesia's monumental debt, suppress the living cost and repel China's undue economic influence, some of the voters' major concerns.

On the other hand, Sandiaga Uno's advent represents a whole other dynamic. The young businessman emerged out of a stalemate among coalition parties under Prabowo's command and has also positioned himself as the economy card in the challenger's camp.

Sandi appears to converse within the public's discourse on economic issues, as pointed out by his aspiration to create more jobs, manage the price of commodities and accelerate development. However, the question in everyone's mind is this: has his term of less than a year as Jakarta's deputy governor testified to his ability as an effective administrator?

What could have been a bright track record seems to be dimmed by the number of outstanding businesses in Jakarta, including the zero percent down-payment housing scheme, a football stadium for Persija and the pro-entrepreneur One Kecamatan (municipality) One Centre of Entrepreneurship programme, the latter would be implemented nationwide if Sandi were elected.

Sandi also left behind an uglier face of Jakarta. The littered rivers, the disarray in Tanah Abang complex and the neglected condition of Kalijodo Park – all of which were significantly improved by previous administrations – provide visual evidence to nationwide voters that Sandi probably should have maximised his tenure as deputy governor before aiming higher.

All of these make us wonder if both candidates have what it takes to run the country. While Ma'ruf seems to float in La La Land, Sandi still has to prove that he can walk the talk. Of course, the eventual launching of both pairs' vision and mission may alleviate some of these concerns in due course.

Still, their emergence displeases a portion of the society who wishes to see real programmatic agenda prevailing over political calculation. Much has been said about why the picking of Ma'ruf and Sandi for each camp is a politically sound strategy, but this does not make it comfortable for this voter group that individuals with stellar record were either not seriously considered or marginalised in the eleventh hour. It is surprising that household names, such as Muhammad Zainul Majdi, Tri Rismaharini and Mahfud Md, are still not in any ticket by now.

"The picking of vice-presidential candidates with less than reassuring record does not peg this hope, while also signifying the place of meritocracy in Indonesia two decades after *reformasi*"

This example shows that meritocracy still falls behind in Indonesia's democratisation agenda 20 years after *reformasi*.

To be fair, programme-oriented candidates in Indonesia may not carry much gravitas when the country's political culture still sanctifies powerful personalities and incorporates the essence of identity politics, which may explain why they do not usually get the second glance from political parties.

Here the nomination of Ma'ruf says a lot. Not only does he evoke the image of an elderly, powerful scholar who has shaped the socio-political affairs of the citizens through fatwas and sermons, he also guarantees his camp's near-total supremacy over religious discourse due to his seniority and conservative views. By embracing Ma'ruf, Jokowi has formalised the inclusion of identity politics in the race.

We will see if identity politics would push aside programmatic narratives come 23 September, the official kick-off date of the campaign period. Early signals, however, suggests towards this direction. One, Ma'ruf has called out Prabowo for ignoring the council of ulamas' recommended options for his running mate. Two, Ma'ruf's articulated visions have a distinctively religious tinge, as presented above. Three, Sandi was conferred the predicate of *santri* (close follower of Islamic teachings) by the leader of one of the coalition parties, in a clear attempt to shore up his religious appearance.

Even if the candidates stick to debates on programmes, the arena might be hijacked by competing religious groups, such as Nahdlatul Ulama and Persaudaraan Alumni 212, each cheering for one side in the race, to settle their intense differences over religio-political matters, such as who is more "Islamic" to be the nation's president. This will not only drag the candidates into the process, but also preserve identity politics throughout the duration of the campaign period. In this noisy environment, programmatic narratives would likely drown out.

However, perhaps the biggest reservation towards the lack of meritocracy in the race comes from the reform and democratisation department. Neither Ma'ruf nor Sandi is a powerhouse name in anti-corruption agenda. Neither has also displayed aptitude – or even stern commitment – to root out bureaucratic inefficiency in a similar tectonic fashion as Jokowi-Ahok did during their brief reign over Jakarta. If each candidate fails to complement their respective partner in these two imperatives, regardless of who gets the crown, reform processes would more likely be relegated to the footnotes section.

Moreover, Ma'ruf and Sandi must be able to serve as a moderating force to the authoritarian tendencies demonstrated by both Jokowi and Prabowo. Would Sandi, for example, be able to tone down Prabowo's jingoism and strongman personae, which cast a long shadow of Soeharto behind the latter's back? Similarly, could Ma'ruf stem Jokowi's spree of support towards anti-democratic measures, as exemplified by the passing of laws that stifle the freedom of assembly and disproportionately expands the power of the legislative body?

Eventually, only time will tell if these and other programmatic agendas would be a feature during the campaign period and in the next administration's to-do list. The picking of vice-presidential candidates with less than reassuring record does not peg this hope, while also signifying the place of meritocracy in Indonesia two decades after *reformasi*. Until politicians realise that their duty to the people trumps short-term political calculation, the voters will continue to be served with political balderdash that is more spectacular than this year's Indonesian Idol.

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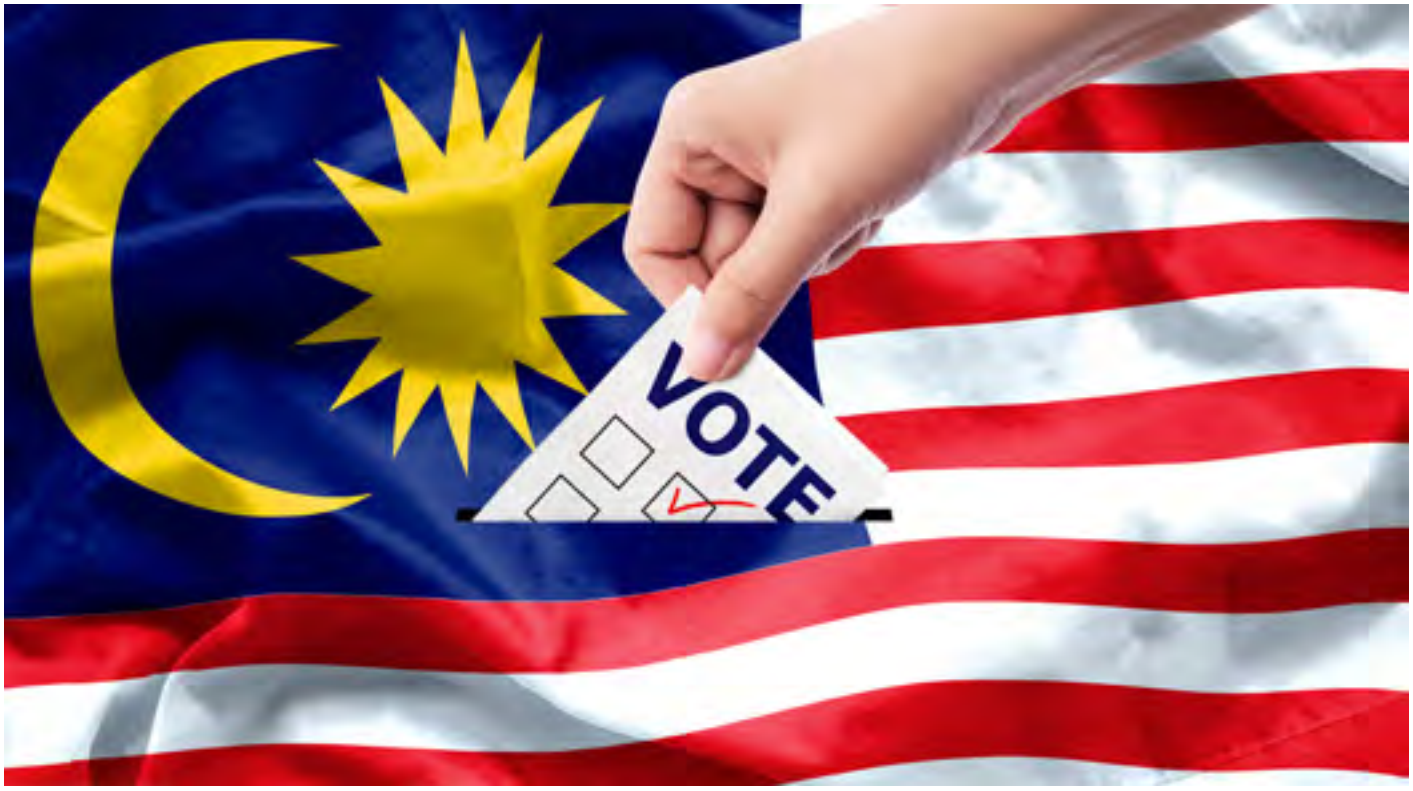

Malaysian Democracy: An Evolution

An evolving and maturing democracy is one of Malaysia's less understood achievements, even as the reality is a vital strategic objective of the country's Vision 2020 programme.

BY
BUNN NAGARA

No democracy need conform to a Western template to qualify as a democracy because each democracy is unique. It is part of a country's political culture and societal milieu. When political culture is stagnant and its societal milieu closed, a democracy has little room to develop and mature. Where these are active and dynamic, progressive reform is both possible and likely.

Malaysian democracy has become an interesting case study because of this promise. The marker event for change is broadly taken as the 14th General Election (GE14) on 9 May 2018. This occasion introduced the first change of government for the first time since Malaya's independence in 1957. Until the bulk of the votes were counted, most Malaysians including opposition candidates themselves did not believe this was imminent or even possible.

The changes that have since happened, remain pledged, or are still impending are larger than GE14 itself. However historic, GE14 is only part of the larger kaleidoscope of events in the Malaysian political landscape. For context, it is necessary to rewind and start from the birth of the nation.

By the time Britain granted Malaya independence in August 1957, the British-nurtured ethnic divisions had become entrenched. The economic compartmentalisation of largely rural agrarian Malays, mostly urban Chinese in commerce, and predominantly Indian workforce in the plantation and railway sectors, with some in the professions, had extended to the fledgling country's political system. The United Malays National Organisation (UMNO), the Malaysian Chinese Association (MCA) and the Malaysian Indian Congress (MIC) representing the three main communities would form the core of political leadership for the next six consecutive decades.

From 1957 to 1973 this coalition was the Alliance, after which more parties coalesced into the grand coalition of Barisan Nasional (BN). All throughout, the core consisting of the three main UMNO-led ethnic parties set the terms and the pace. The formula was called "power sharing", by which the country's three main ethnic groups were formally represented, while smaller minority communities and a smattering of the three main races would fit themselves around the other parties in the coalition. However, even as multiracial tendencies occasionally challenged this formula in favour of multiracial political parties, racial politics remained the norm.

As the economy developed through the 1960s, ethnic divisions lingered and even hardened at points where economic disparities were seen in racial terms. Matters came to a head in 1969 when the opposition parties Democratic Action Party (DAP), Gerakan and the Pan-Malaysian Islamic Party (PAS) won a sizable portion of the votes. The Alliance lost its two-thirds majority overall as well as its simple majorities in the states of Kelantan, Penang, Perak and Selangor. Race riots erupted from 13 May, hundreds of people were killed including foreigners who got in the way, parliament was suspended, and the Alliance government declared a national emergency and ruled by decree.

By the time Parliament reconvened, Deputy

Prime Minister Tun Abdul Razak's role as head of the ruling National Operations Council and acting Prime Minister had become permanent, displacing Prime Minister Tunku Abdul Rahman. The 20-year New Economic Policy (NEP) was launched in 1971 to restructure the economy so that race would be dissociated from economic function and to eradicate poverty regardless of race in the larger interest of national unity. In practice, however, the NEP became an affirmative action programme to favour the largely Malay Bumiputra community in education and employment, serving as UMNO's electoral vote bank. Race politics became a taboo subject in public discourse even as it grew more established.

The economic formula came to provide Bumiputras with a larger slice of the economic cake, while staving off minority discontent by striving constantly to magnify the overall size of the national cake. Minority communities were expected to accommodate this redistribution through perpetually enhanced development, as expressed in industrialisation and BN election pledges. BN's race-based formula of UMNO-led power sharing would then keep any minority disgruntlement in check. In the process, an UMNO-aligned, UMNO-favoured elite ("UMNOputras") among Bumiputras emerged to head the new Malay middle class with the purported aim of "trickling down" material advancement to a still largely disadvantaged, largely Malay, Bumiputra community.

As economic opportunity directed and overseen by political interest accumulated steadily under UMNO leadership, perceptions of collusion, cronyism and corruption also grew. Where critiques of this political mainstream came from minority communities, they were swiftly discredited, politicised and sidelined or beaten back with official warnings of a repeat of "May 13." But critiques of the political status quo also came from the Malay community, such as had been expressed by a string of Malay-majority political parties: an Islamist PAS, UMNO rival Semangat 46, socialist parties PSRM/PRM and PSM, and PKN/PKR. While these may have had their limitations, lacking the traction to dislodge an UMNO-led, BN-defined mainstream, something of their pedigree in assailing a BN-style status quo lingered.

A split within UMNO in the late 1980s led to the tussle between Semangat 46 and UMNO Baru, which saw fissures within UMNO, whose discontent simmered then lay dormant. The previous general election of 1986 had seen a simple majority of votes (57.3%) for BN with a high majority (83.6%) of parliamentary seats. After the split from 1988, the subsequent election in 1990 saw a decline, although BN still retained its two-thirds parliamentary majority (53.4% of votes, 70.6% of seats). With memories of the party split fading by the 1995 election, BN's fortunes rose again (65.2% of votes, 84.4% of seats). BN still had reason for confidence, although large majorities could not be guaranteed with results depending on the political ferment.

Then the sacking, police assault and jailing of Deputy Prime Minister Datuk Seri Anwar Ibrahim in the late 1990s came as another dramatic rupture in the party, leading to the formation of Parti Keadilan Nasional (PKN), later Parti Keadilan Rakyat (PKR). Electoral options for the majority Malay community continued to grow, as UMNO's base potentially shrank. Support for UMNO-BN then dipped again with the 1999 general election (56.5% of votes, 76.7% of seats), although its two-thirds parliamentary majority held. The bulk of ethnic Chinese votes remained with BN. PKN was seen as Anwar's personal vehicle, and its appeal to Indonesia-style anti-Suharto *Reformasi* (reform) was regarded as less than Malaysian.

By the 2004 general election, Mahathir had stepped down in favour of Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi's leadership. With the absence of Mahathir, Anwar's mentor-turned-nemesis, UMNO-BN's fortunes rose again (63.9% of votes, 90.4% of seats) as the electorate gave Abdullah the benefit of the doubt. By the 2008 election, Abdullah's lacklustre style had become evident and BN's support slid to even lower than in 1999 (51.4% of votes, 63.1% of seats), losing its two-thirds parliamentary majority as well as two vital states in Selangor and Penang. UMNO-BN would have been well advised to avoid major upsets, but it was in denial.

By now the votes of the ethnic Chinese community, as did those of minority communities generally, had deserted BN. UMNO-BN had come to rely on its Malay vote bank, a resource that had also been divided by an unprecedented number of Malay-majority parties. By the 2013 general election, Abdullah had stepped down in favour of Deputy Prime Minister Datuk Seri Najib Razak. But UMNO-BN did even worse, losing the popular vote and suffering a bigger loss in parliament (47.4% of votes, 59.9% of seats).

Would or could the BN incumbents do better, or even worse in 2018? Majority opinion on all sides expected a BN win although the metrics and the issues on the ground were against it happening. Cases of homicides and missing persons remained unsolved while financial scandals grew and multiplied. By the night of the 9 May election, the shock result of a first-ever BN loss was sealed. There was no "Chinese tsunami" against BN because that had already happened, there was no "Indian tsunami" or "Malay tsunami" exactly, because there was a Malaysian tsunami that also engulfed Sabah and Sarawak.

Many could not imagine an opposition victory because of long-ingrained assumptions of BN invincibility, BN's denial of its own liabilities, an initially rudderless opposition and general apathy and despondency about change. But in the final weeks of the GE14 campaign, Pakatan Harapan (PH) parties and leaders came together enough to edge out a tired old BN tripping over its own missteps. Then, parts of the BN edifice crumbled as fragments joined PH or drifted elsewhere. Malaysia 2018 made history because the country's democratic institutions held out against the latest odds engineered by the incumbents.

Unlike Indonesia which endured over three decades of Suharto rule, then *Reformasi*, and then to achieve only a largely electoral democracy where the old power brokers still hold sway, Malaysia has always had an electoral democracy since independence. What Malaysia had yet to achieve prior to the 2018 election was full-spectrum reform that was structural, covered all ethnic communities, and engaged the general public and civil society sectors as active stakeholders. The new PH government is heading in that general direction in fits and starts, and not without occasional controversy. A fuller, maturing democracy remains a work in progress.

Some vital changes are already in place whether the PH government lives up fully to the expectations of its supporters. The atmosphere of cynicism and fear of political change has lifted. Individuals and civil society groups continue to express their wishes and concerns in speaking truth to power. Malaysians of all political affiliations have a new confidence in their democratic institutions. The peaceful and constitutional transition of power is a credit to the nation and an example to the rest of the developing world.

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Roadblocks to the Bangsamoro Organic Law

Signing the BOL into law is just the beginning. First, a plebiscite has to be won. Then there are the numerous extremist groups that don't support the peace deal...

BY
ROMMEL C BANLAOI

After almost two decades of protracted peace negotiations between the Government of the Philippines (GPH) and the Moro Islamic Liberation Front (MILF), President Rodrigo R Duterte finally signed into law the much-awaited Bangsamoro Organic Law (BOL) on 27 July 2018. The BOL mandates the creation of a Bangsamoro Government in a new political entity called the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), or the Bangsamoro Autonomous Region (BAR), for short.

Thanks are due to Malaysia for serving as the third-party facilitator of the GPH-MILF peace process. Malaysia has been the indelible ink in the history of the peace process in Mindanao.

Compared with the old Autonomous Region in Muslim Mindanao (ARMM), the BAR offers more autonomous powers to the Bangsamoro Government, which will be parliamentary in form and headed by a Chief Minister. These greater autonomous powers include more rights to self-governance vested in the Bangsamoro Parliament, more powers to promote the Bangsamoro Justice System with the application of shari'ah law to cases involving Muslims, more fiscal autonomy for the Bangsamoro Government to build wealth and create its sources of revenues, and more policing power with the creation of a Bangsamoro Autonomous Region Police Office, among others.

The biggest challenge facing the BAR emanates largely from the MILF, which will initially run the Bangsamoro Government. For over 40 years, the MILF has been running a Muslim rebellion in Mindanao. With the BOL, the MILF, for the first time, will be given a landmark political chance to run a government so the Bangsamoro people can enjoy the right to self-determination aspired to by Muslims in Mindanao for five centuries. The BOL requires the creation of a Bangsamoro Transition Authority (BTA) that will offer the MILF "on-the-job training" to run an interim Bangsamoro Government during the period until the first Bangsamoro Parliament is formed.

Before its implementation, the BOL first needs approval from the people in the territorial jurisdiction of the Bangsamoro Government through a plebiscite. The plebiscite is a major political challenge for the MILF, as it needs to convince voters. With opposition coming from well-established political oligarchs in Sulu, Basilan, Tawi-Tawi, Zamboanga City, Lanao del Norte, North Cotabato and even Cotabato City, not to mention the many issues raised by Nur Misuari of the Moro National Liberation Front (MNLF) and the Sultanate of Sulu, getting overwhelming approval of the BOL in a plebiscite is unrealistic. This situation can create political dissent, additional political cleavages, and more complex turf wars among ruling political elites in Muslim Mindanao who are determined to defend their current status from the emerging political elites coming from the MILF.

"In other words, the signing of the BOL will not automatically bring peace to Mindanao considering many complex security uncertainties posed by armed groups still engaged in violent extremism and acts of terrorism"

But a more pressing concern with the BOL is its effectiveness at addressing the problem of violent extremism in Mindanao. While there is no doubt that the BOL can induce the MILF to promote just and lasting peace in Mindanao, will the BOL also tame the many lawless elements in Muslim Mindanao?

At present, the area still has active armed groups engaged in violent extremism and other acts of terrorism, including ones that are followers of Daesh. In the island provinces of Sulu, Basilan and Tawi-Tawi, the Abu Sayyaf Group (ASG) continues to disturb the peace under the leadership of Radullan Sahiron with the support of his deputy, Hajan Sawadjaan. Puruji Indama is already leading the ASG faction in Basilan after the death of Isnilon Hapilon. This group was responsible for the Lamitan car bombing on 31 July 2018 that resulted in the death of 10 persons in an apparent suicide attack. A certain Haroun Hapilon has also been recently monitored leading some ASG members in Basilan and facilitating the entry of militants from Malaysia using Sabah and Tawi-Tawi as backdoors. Addressing the ASG threat continues to be a huge political and security challenge to the implementation of BOL.

In Central Mindanao, the Abu Dar Group (ADG) – the remnants of the Maute Group who survived the 2017 Marawi City siege – continues to operate in the provinces of Lanao del Norte and Lanao del Sur. Human Abdul Romato Najid or Owayda Benito Marohomsar alias Abu Dar is the recognised emir of the ADG and had previously founded the Khilafa Islamiya Mindanao (KIM), the forerunner of Daesh Philippines and the vanguard of the "black flag movement" in Mindanao. With huge resources in his hands and with the support of the struggling leadership of Daesh Central, Abu Dar is a formidable challenge to the BOL implementation.

Another pro-Daesh group operating in Central Mindanao, particularly in the provinces of Maguindanao, Sultan Kudarat and North Cotabato, is the Abu Turaipe Group (ATG) led by Esmael Abdul Maguid alias Abu Turaipe. He was the founder of Jamaah Mohajirin Wal Ansar (JMA) that pledged allegiance to Daesh. The JMA represents the faction of the Bangsamoro Islamic Freedom Fighters (BIFF) led by Abu Turaipe. Another faction of the BIFF is led by Muhaiden Animbang alias Kagi Karialan, who is not pro-Daesh, but is known to be close to the MNLF in challenging the BOL. The original BIFF is led by Ismael Abubakar alias Commander Bungos, who succeeded BIFF founder Ameril Umbra Kato. Commander Bungos also pledged allegiance to Daesh, but his support for Daesh activities in Mindanao remains ambiguous. All three factions of the BIFF can provide solid roadblocks to the BOL implementation.

Finally, there are still threats of violent extremism emanating from the remnants of the Ansar Khalifa Philippines (AKP) not only operating largely in Sarangani province, but also in South Cotabato, General Santos City and even Cagayan de Oro City. Formerly led by Mohammad Jaafar Maguid alias Commander Tokboy, AKP has been recently under the leadership of Carlito Maguid, the younger brother of Commander Tokboy. Though the AKP under Carlito is a fledgling group, it can still wreak havoc if its remaining members succeed in facilitating entry of militants from Indonesia using Manado and Sarangani as backdoors.

In other words, the signing of the BOL will not automatically bring peace to Mindanao considering many complex security uncertainties posed by armed groups still engaged in violent extremism and acts of terrorism. Unless these groups are tamed and convinced to embrace the Preamble of the BOL to establish an enduring peace in Muslim Mindanao, the Bangsamoro people will need to be resilient in dealing with the harsh realities on the ground.

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There's Life Beyond The Big Two

The future of the international order will not be decided by the United States and China alone. Multiple bilateral and multilateral ties mean that smaller powers could – or should – have a say too

BY PUTERI NOR ARIANE YASMIN

The debate surrounding major power competition has consistently revolved around the dynamics between the United States and China. We seem to have a US-led order in decline and, in contrast, a rising China, particularly in the Asia Pacific. President Trump's "America First" policy and developments at the 19th Congress of the Communist Party of China (CPC) demonstrate that regional dynamics are indeed changing. Although Washington and Beijing may continue to be the main contenders moving forward, the state of play will not be solely determined by them alone. There are strategic and geopolitical considerations, as well as institutions and initiatives, which will not only impact the way the United States and China behave, but also the extent of their influence in the region.

"In an effort to manage major power competition in the region, ASEAN has consistently tried to maintain a balancing act between the United States and China"

There are three key points to contemplate as we consider why it is not just about the United States and China in the Asia Pacific.

First, the emerging regional order is not a zero-sum game and the decline of US influence will not necessarily cement or guarantee the rise of China. Washington and Beijing are pushing two different concepts of "order". The "Washington consensus" is based on security guarantees, market-friendly economic policies and liberal values, whereas the "Beijing consensus" is focused on economic development and human connectivity. This contrast is evident in President Trump's persistent pledge to increase US military power (despite the

United States already being top in military capacity and spending), and China's effort to boost its sphere of influence via the Belt and Road Initiative (BRI). China has managed to foster closer relations as far as Pakistan, Iran and Turkey, thanks to the BRI.

However, one could make the assertion that no country fully agrees or disagrees with one consensus over the other. For instance, in the Asia Pacific alone, countries have overlapping interests and concerns about both the US and Chinese agendas. Trade volume between ASEAN member states and China hit a record high in 2017, as China has become the largest trading partner for almost all of the ten countries. Yet regional security issues like territorial disputes in the South China Sea also remain a point of contention between ASEAN and Beijing.

Similarly, ASEAN is the number one destination for foreign direct investment and the fourth largest export market for the United States. And while ASEAN continues to engage with the United States in military exercises and regional security affairs, member states have been wary of the Trump administration's withdrawal from the Trans-Pacific Partnership (TPP), its trade war with China and the periodic nature of its engagement in the region in general. Such developments do not instil much confidence within ASEAN that the United States will continue to be a reliable partner in future.

In an effort to manage major power competition in the region, ASEAN has consistently tried to maintain a balancing act between the United States and China. ASEAN centrality will have to be strengthened and play an even bigger role in shaping the regional order to prevent member states from having to choose a side.

Second, as countries avoid putting all their eggs in either the US or Chinese basket, there could be room for other significant players like Russia and Japan, and perhaps to a lesser extent India and Australia, to help shape the regional order as well. Most recently, the Mahathir administration in Malaysia has been trying to tilt Putrajaya's foreign policy focus from Beijing to Tokyo in an effort to equalise its engagements with both powers. There are a number of regional institutions and initiatives that aspire to this goal of broadening ties with both great and middle powers.

For example, Japan, Australia and India have reinstituted diplomatic and military engagement with the United States in the Quadrilateral Security Dialogue – better known as the "Quad" – to facilitate economic prosperity in the wider Indo-Pacific region. This revival will depend on whether the Quad is able to ensure ASEAN, and its own members as well like Australia, do not think of it as being a Chinese containment strategy. Australia had previously dropped out of the Quad amidst US-Chinese tensions ten years ago, and it remains uncertain about having to lean towards either power.

"How countries deal with one another, on a bilateral or multilateral basis, or in terms of the institutions and initiatives that they sign up to, will impact the extent to which the international order will be chaotic or compact in future"

Furthermore, earlier this year in May, Prime Minister Narendra Modi visited Malaysia, Singapore and Indonesia to boost the Act East Policy and India's relations with all three countries. Recent commentary and analytical pieces have also pointed towards an India-South Korea axis between the Act East and New Southern policies in the region. These examples indicate that the region could be transitioning towards a multipolar state of play, with multiple narratives shaping developments moving forward.

Finally, on the international front, China is not the only threat that the US-led order is facing. There is also Russia to consider, particularly vis-à-vis its relations with China. Their economic relationship is strengthening, as the fifth Russia-China Expo in July demonstrated the eagerness of both powers to broaden their trade and investment ties. Russia was China's biggest supplier of crude oil in 2017, and both have secured more oil and gas supplies in future. Defence-wise, China and Russia are now conducting regular joint naval exercises together from the Sea of Japan to the Mediterranean.

Indeed, some may argue that the Chinese-Russian bromance is too good to be true, particularly given their past conflict along the Siberian-Manchurian border in 1969. But perhaps what should be of utmost importance to the United States is the extent to which the Chinese-Russian alliance is of strategic importance (ideologically) for both powers. Beijing and Moscow share a multipolar worldview and aim to establish a non-US centric, "spheres-of-influence" international order. Their rebukes of US airstrikes in Syria and its withdrawal from the Iran nuclear deal, the ongoing trade war between the United States and China, and Russian meddling in the 2016 US presidential elections are recent examples of the anti-western or anti-US threats that Washington is facing today.

Like China, Russia is trying to push its agenda overseas and cement its position as a leading power on the international stage. In Central Asia, the Eurasian Economic Union (EEU) and the BRI are examples of Russian and Chinese initiatives for regional economic integration that "contrast with the dominant Washington Consensus model of free market economic thinking", as it has been put by the University of Kent academics Balihar Sanghera and Elmira Satybaldieva. There have also been territorial developments by both powers over the last five years, most notably the Russian annexation of Crimea and Chinese land reclamation in the South China Sea.

Therefore, the international order in future could depend on two factors. The first is how the United States manages the decline of its primacy, vis-à-vis its relations with China and Russia, in terms of a restoration or normalisation of ties amongst these powers. The question is whether or not Donald Trump will allow Xi Jinping and Vladimir Putin to present themselves as equals on the international stage.

The second is the kinds of relationships that countries will have with one another in general. For example, could we witness a polycentric system whereby multiple countries work together to hedge against global powers like the United States, China and Russia, in order to maintain stability? How countries deal with one another, on a bilateral or multilateral basis, or in terms of the institutions and initiatives that they sign up to, will impact the extent to which the international order will be chaotic or compact in future.

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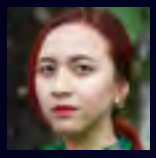
How to Make Trade Great Again

Amid tensions among the world's economic giants and the slowdown in economic growth, the Asia-Pacific Economic Cooperation (APEC) is grappling with widespread mistrust of the open, rules-based world trading system. What can the organisation do to reverse this trend?




BY
DWINTHA MAYA KARTIKA & CALVIN CHENG

A decade after a global economic meltdown, many economies are still reeling from its aftershocks, with growth still stagnating in much of the developed world. This, coupled with growing income and wealth inequality, has sown the seeds of a widespread mistrust of globalisation and all its features, particularly greater trade and investment integration.

Against this backdrop, there appears to be a collective struggle by technocrats to espouse the benefits of trade: lower prices, greater efficiency and welfare gains. For demagogues, however, now is certainly a convenient moment to capitalise on public discontent about globalisation and trade.

"Us versus them" narratives are frequently thrown around as the world endures a trade war between the globe's two biggest nations. President Trump's deliberate, multi-pronged assault on the rules-based multilateral trading system shows that what many previously thought was mere theatrics has become our new reality.

As the only trans-Pacific regional economic institution championing open trade in the region, there is certainly a role for APEC to reassert the primacy of the open, rules-based world trading system. APEC should be more proactive in tackling

"APEC should do more to increase public awareness of its functions and activities"

discontent and restoring trust in global trade governance.

First, fighting anti-trade narratives should be done through efforts to "popularise" trade — using a simple, visually attractive information campaign to which a wider, non-expert audience can relate. Better public understanding about the current trade realities and the long history of APEC as an institution can help boost support for open trade.

President Trump's rhetoric on trade is usually overly simplistic — often inaccurately depicting clear winners and losers, whereas reality is never that black and white. Hence, battling mistrust of trade requires APEC members to do the hard work of devising powerful messages — converting comprehensive and complex trade data into jargon-light narratives that are easier for the general public to understand.

Additionally, APEC should do more to increase public awareness of its functions and activities. The public knows little about APEC, despite the thousands of summits and ministerial and other meetings that have been convened under its umbrella. The contents of APEC's declarations and statements have also largely been shared only by APEC bureaucrats and within trade-policy circles.

Second, APEC member economies should advocate for better measures of trade that truly reflect the realities of today's economic landscape. APEC's current work on establishing the APEC Trade in Value Added Database can be a first answer to the inadequacy of conventional trade measures.

It is well known that fragmentation in global value chains and offshoring over the past 20 years have reduced the usefulness of conventional trade data as a true assessment of trade performance. For instance, the China-assembled Apple iPhone X is counted wholly as a Chinese export — though only about four percent of that export value is actually added in China. As such, solely relying on conventional, bilateral trade flows would be misleading. Value-added trade statistics can certainly help in this regard.

Furthermore, to supplement macro-level trade data, APEC needs to promote the usage of more localised, firm-level trade statistics. Trade impacts sectors, industries, firms and individuals differently, thus more granular trade data would undoubtedly help policymakers in identifying the winners and, more importantly, the losers of trade policies.

"While the United States may no longer be leading APEC's trade agenda as it did before, other APEC members must now jointly take the helm to make trade great again"

Third, it is crucial that APEC members adopt a broader agenda acknowledging the distributional impacts of trade. This agenda should include an explicit focus on ensuring that the distribution of trade gains is done in an inclusive manner, in addition to an emphasis on APEC's active role in mitigating the negative effects of trade.

APEC has already generated many initiatives on trade inclusion, such as the APEC Strategy for Strengthening Quality Growth, Renewed APEC Agenda for Structural Reforms, Policy Partnership on Women and the Economy, as well as the internationalisation of micro, small and medium enterprises (MSMEs).

However, given the voluntary and non-binding nature of APEC, the success of these initiatives are largely at the discretion of member countries. Many economies consider inequality and inclusion issues politically sensitive, consequently addressing these issues demands strong political will from APEC Leaders.

At the regional level, APEC leaders can collectively demonstrate a genuine commitment to addressing social inclusion through the establishment of a Social Development Pledge, whereby member economies promise to spend a certain set percentage of their government expenditure on social-related programmes. This can produce a "win-win-win" solution for APEC as an institution, APEC leaders as well as the regional community.

Fourth, the establishment of robust tracking and feedback mechanisms on monitoring and evaluating policies undertaken by APEC member economies is similarly important.

The APEC Policy Support Unit, currently in charge of tracking progress on these issues, should play a more prominent role in communicating the results to the public at large and not merely to a small circle of APEC governments and technocrats. This would increase the accountability of APEC member economies and help minimise the prevalent perception of APEC as being primarily a talking shop by increasing their ability to translate policy into practice.

Fifth, a stable and predictable multilateral trading system is now more important than ever in light of the current challenges to rules-based trade governance. As such, APEC member economies need to devise sound proposals for reforms to make the World Trade Organization (WTO) more effective, without compromising its fundamental principles.

Some rules might need to be rewritten. There has to be more accommodative trade and investment rulemaking in negotiating trade agreements, while different parties need to recognise what each are demanding or expecting from those agreements.

In trade rulemaking, what should be more important is preventing the weakening of domestic standards, not the imposition of one negotiating party's standards on the others — especially when it puts big business interests in the driver's seat.

Of course, the world needs high-quality trade and economic arrangements to prosper, but we need to remember that sufficient leeway should to be given to less developed economies for them to manoeuvre and grow.

APEC member economies should be cognisant that trade should not and is not just about two or three countries, but the actions of many, as highlighted by Patrick Tay, Deals Partner in Economics and Policy at PricewaterhouseCoopers Malaysia.

However, the collective interests of the region are sometimes not aligned with the interests of individual economies. As the Bogor Goals for realising free and open trade in the Asia Pacific expire in 2020, it is imperative that APEC envisions an agenda that harmonises both the interdependence and independence of member economies in furthering regional trade objectives. This agenda must enable its communities to have a stake in and reap the benefits from trade reforms.

While the United States may no longer be leading APEC's trade agenda as it did before, other APEC members must now jointly take the helm to make trade great again.

Dwintha Maya Kartika is an Analyst and Calvin Cheng is a Researcher in Economics, Trade and Regional Integration, ISIS Malaysia

The Middle East – *Déjà Vu All Over Again*

The West has ignored simmering discontent in the region for far too long. Its narrow focus on countering extremism and supporting stability leaves a space that extremists can and will exploit

BY
JAMES M DORSEY

If the notion that history repeats itself is accurate, it is nowhere truer than in the Middle East where the international community, caught by surprise by the 2011 popular Arab revolts, has reverted to opting for political stability as opposed to sustainability, ignoring the undercurrents of change wracking the region. Major powers do so at their peril.

The failure of the United States, Europe, China and Russia to recognise key drivers of fundamental societal change and revisit the underpinnings of their policies towards the Middle East and beyond threatens to nullify professed aims of wanting to end bloodshed, curb extremism, stabilise the region and protect their interests.

In a recently published study, Jose Antonio Sabadell, a former Spanish and European Union diplomat, argued that the narrow focus of the West, and by extension of China and Russia, on countering extremism, stemming the flood of refugees, and securing economic interests, blinds major powers from recognising tectonic social and political shifts that are likely to reshape a region embroiled in volatile, often violent transition.

Without saying so explicitly, Sabadell harks back more than a decade to the immediate aftermath of 9/11 when Western leaders, including then US President George W Bush recognised that support for Middle Eastern autocracy that failed to address widespread popular grievances and perceptions of Western policy had created the feeding ground for jihadist groups focused on striking at Western targets.

That recognition produced an expectation that the Arab street would assert itself, neutralise breeding grounds of extremism, and counter radicalism by pushing for political and economic change.

"The Arab world is populated by hard rather than strong states whose power is rooted in bureaucracies, militaries and security forces"

When the Arab street did not do so, government officials, analysts and journalists wrote it off. The widespread discontent continued to simmer. It was palpable if one put one's ear to the ground and it finally exploded a decade later in 2011.

That pattern hasn't changed despite a brutal counterrevolution that reversed the achievements of the revolt in Egypt and produced escalating civil and covert wars and/or overt military interventions in Libya, Syria and Yemen.

In some cases like Yemen, conflict threatens to have global consequences in the wake of Saudi Arabia's July decision to halt oil shipments through the Bab el-Mandeb strait, through which some 4.8 million barrels a day are transported.

Just how little has changed is evident in the continued validity of Egyptian-born political scientist Nazih Ayubi's assertion of 22 years ago – that the Arab world is populated by hard rather than strong states whose power is rooted in bureaucracies, militaries and security forces.

Ayubi noted that these states were "lamentably feeble when it comes to collecting taxes, winning wars or forging a really 'hegemonic' power bloc or an ideology that can carry the state beyond the coercive and 'corporate' level and into the moral and intellectual sphere."

Recent protests, often innovative in their manifestations, in Morocco, Egypt and Iran prove the point.

"The Arab world is in the middle of a process of deep social and political change.... The emergence of Arab peoples as key political actors, in combination with widespread, profound and mounting popular frustration, is a game changer. What Arab populations think and crucially how they feel, will determine the future evolution of their countries," Sabadell predicted.

The historical record backs up his assertion that fundamental change is a process rather than an event. The era of the 2011 revolts and their counterrevolutionary aftermath may be reminiscent of the 1789 French revolutionary wave that was countered by powerful conservative forces that ultimately failed to avert the 1848 revolution.

A renewed failure to recognise the psychological, emotional, social, economic and political underpinnings of simmering discontent suggests that the international community's focus on migration and extremism could boomerang by further antagonising significant sectors of societies in a swath of land that stretches from Africa to China.

It is likely to impact stability in a region that borders on Europe, includes Russia's backyard and soft underbelly, and stretches into China's strategic north-western province of Xinjiang. It also risks fuelling rather than countering extremism that feeds on its understanding and exploitation of the emotions, social psychology

and identity politics of deep-seated grievances.

"We are at a crossroads.... Vital interests are at stake.... These developments will define... interaction with 400 million people living in Europe's immediate neighbourhood, and shape relations with the wider Middle East and North Africa region.... This can have profound geopolitical implications, influence the global scenario for the foreseeable future and maybe change the nature of international politics," Sabadell said.

"The way the West handles its relations with the region can and should make a significant difference. What it does and says will be the key; what it does not do and does not say will be equally important "

Demonisation of Islam in the West and major Asian nations, as well as political Islam that is encouraged abroad by autocrats in countries like Saudi Arabia and the United Arab Emirates, despite the fact that religion is often the only permissible language in public discourse at home, and Islamophobia, magnify the risk and exacerbate the problem.

The centrality of Islam in Middle Eastern identity, coupled with widespread anti-Western sentiment that is reinforced by the Trump administration's immigration policy and anti-immigrant sentiment in Europe, strengthens a belief that the West, and eventually China with its repressive policy in Xinjiang, is hostile to Islam. It's a belief that hands opportunity to extremists on a silver platter.

It is also a belief that intrinsically links social and economic grievances with perceived threats to collective national, regional and religious identities, a pillar of populism on both sides of the Atlantic as well as the Mediterranean in what Indian essayist and novelist Pankaj Mishra dubbed "the flourishing international economy of disaffection".

The key popular demand for dignity that characterised the 2011 revolts, as well subsequent protests, related as much to calls for clean, non-corrupt governance and efficient delivery of public goods and services, as it did for acknowledgement of a proper place for Arab and Muslim states in the international system.

A key issue that world powers turn a blind eye to is the fact that even if religion constitutes the bedrock of autocratic legitimacy and frames public discourse, religiosity is in flux, with youth increasingly embracing the notion that faith is a private affair rather than a ritualistic adherence to laws and a set of ironclad beliefs.

Closely related is the failure to realise that the gap between the Middle East and the West, and potentially with China and Russia, is not one that is rooted in values, but in policies.

As a result, anti-immigrant sentiment coupled with Islamophobia, reducing the Middle East to concerns of migration and extremism, support for autocratic regimes, indifference towards the worsening plights of huge population groups, and the lack of even-handed policies towards key conflicts like Syria and the Israeli-Palestinian dispute threatens to turn the fictional value gap into a self-fulfilling prophecy.

It is a prophecy that is exploited by extremists who, unlike world powers, understand the power and benefits of focusing on emotions.

This self-fulfilling prophecy is underwritten by decades of a failed policy in which military interventions, debilitating attempts at regime change, misconceived notions of nation building and misconstrued calls for reform of Islam have fuelled mayhem and crisis.

"What the Arab world may need is not a religious leader but rather a social leader; not someone who wants to reform religion, but who wants to reform society...one who uses the popular legitimacy and the authority of religion to promote social and political change. Islam may need a Martin Luther King Jr more than a Martin Luther," Sabadell said.

Stopping failed policies from cementing false perceptions in a self-fulfilling prophecy will take more than counter narratives, political messaging and promotion of "moderate" Islam. It will require fundamentally revisiting the notion that support for self-serving autocrats, whose policies contribute to the threat of the prophecy, is part of the solution.

The crisis in the Middle East offers the West a historic opportunity in the far larger struggle with China and Russia for a future international order. It is where the West has a strategic advantage that it can exploit if it is capable of dropping its horse claps that allow it to see primarily only the threats of migration and extremism.

Said Sabadell: "The way the West handles its relations with the region can and should make a significant difference. What it does and says will be the key; what it does not do and does not say will be equally important. How it acts, or not, and speaks up or remains silent will define its position and determine its effectiveness."

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A GIANT SLOWLY RISES

From Southeast Asia to the Indian Ocean, New Delhi's reach is growing – sometimes incrementally, but sometimes significantly

BY
DHRUVA JAISHANKAR

In trying to assess the strategic environment in which India finds itself in 2018, it may be useful to make eight broad observations.

One, the Indian economy is growing. In 2018, according to the International Monetary Fund, India surpassed France to have the world's sixth largest gross domestic product (GDP). In the coming year, India is expected to overtake the United Kingdom to have the fifth largest GDP. Even assuming a slowdown in annual growth, India is on track to become the world's third largest economy by 2030 or thereabouts. This is not to suggest that India's economic future will be seamless. According to its own government's Economic Survey, India faces daunting challenges when it comes to the quality of its human capital, including healthcare, education and employability; agricultural productivity and modernisation; and administrative reforms including law and order. Nonetheless, despite these challenges, the difference between a $1 trillion economy, which India was in 2007, a $2.5 trillion economy today and a $4.5 trillion economy by 2030-2035 will have significant strategic implications.

Two, Donald Trump's election as US president has – contrary to many expectations – accelerated strategic convergence between the United States and India. This applies

"Today, India participates in regular training and exercises with several regional militaries, provides technical assistance and conducts coordinated naval patrols"

to his South Asia strategy (focused on Afghanistan and Pakistan) and the free and open Indo-Pacific strategy. Both approaches, as articulated in the White House's National Security Strategy, find resonance in India and align broadly with New Delhi's preferences. We have therefore seen an acceleration in maritime cooperation from the Joint Strategic Vision for the Asia-Pacific and Indian Ocean Region agreed to by President Barack Obama and Prime Minister Narendra Modi in 2015, to the joint statement between Trump and Modi in 2017. In real terms, this has manifested itself in the elevation of the 2+2 Dialogue to the cabinet level, which will be held in 2018 for the first time, and the activation of a logistics supply agreement between the two militaries. Cooperation has also accelerated with various US allies, including Japan, as on an infrastructure working group, with Australia on bilateral naval exercises and the resurrection of a working-level quadrilateral dialogue, as well as with Europe, especially France, with whom India's security dialogue and cooperation has deepened significantly over the past two years.

Three, India and China have not had a reset in relations, despite the informal Wuhan Summit between Modi and President Xi Jinping. Differences remain wide, as on the boundary disputes, issues of sovereignty and sustainability concerning China's Belt and Road Initiative (which India has boycotted), on a trade deficit which has widened to $52 billion per year, and on matters of global governance. Contrary to widespread reports, the Wuhan Summit had been under consideration for almost a year, and neither India nor China made significant concessions to each other.

Four, India has had little choice but to pay greater attention to its neighbourhood. The demands on India have increased, and China is now providing considerable competition for influence. As such, India has significantly increased its aid and lines of credit ($7.7 billion to all countries last year) in an effort to stimulate private sector investment in the region. The largest recipient of Indian credit approvals has been Bangladesh. There has also been an extra push on regional connectivity, with the biggest change in the exchange of electrical grids. Regional institutions, beyond the South Asian Association for Regional Cooperation (SAARC), are also being reconsidered, including informal groupings and a long-moribund Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) involving Myanmar and Thailand.

Five, the Indian Ocean has increased in strategic importance for India. In 2017, the Indian Navy began year-round deployments in seven zones in the Indian Ocean, from the Gulf of Aden to the Straits of Malacca. India also entered into a maritime agreement with Singapore and initiated or activated defence agreements with France, the United States and Oman. This network of arrangements theoretically gives India access to ports and refuelling/replenishment facilities across the Indian Ocean from Réunion and Djibouti to Duqm, Bahrain and Singapore. The fact that an Indian Navy frigate could be refuelled in the Sea of Japan by an American vessel, as happened last year, is an indication of the tangible benefits of such arrangements to the operational reach of the Indian military.

Six, India will have to continue building upon the momentum in ties with the Association of Southeast Asian Nations (ASEAN). In January 2018, India hosted all ten ASEAN leaders in New Delhi for its Republic Day celebrations. Security cooperation with ASEAN member states is actually proceeding at a fast pace, albeit from a very low base in many instances. Today, India participates in regular training and exercises with several regional militaries, provides technical assistance and conducts coordinated naval patrols. The closest security relations are with Singapore, followed by Vietnam and Myanmar, and lately Thailand, Indonesia and even Malaysia. However, despite these improvements, India's economic and commercial connectivity with Southeast Asia is lacking and progressing only slowly. A number of efforts are underway to improve this – including the India-Myanmar-Thailand trilateral friendship highway – but so far indications are that change will be incremental.

Seven, India-Pakistan relations are on hold, as they have been since July 2016, and are likely to remain so. This is for five reasons: the recent Pakistani general elections, Indian general elections in 2019, Indian concerns and Pakistani confidence as a result of the China-Pakistan Economic Corridor, a continuing stalemate in Afghanistan, and political developments in the Indian state of Jammu and Kashmir. At the same time, India is continuing its state-building efforts in Afghanistan. Of particular significance is the fact that the air freight corridor between the two countries has helped to make India the second largest destination of Afghanistan's legal exports and, with almost 40 percent share, it may soon surpass Pakistan to become Afghanistan's largest export destination.

Eight, India will have to continue balancing diverse interests in West Asia. Iran remains important for Indian connectivity to Central Asia and Afghanistan via the port of Chabahar and the International North-South Transportation Corridor. India's relations with the Gulf Arab states have seen more significant improvement, particularly with the United Arab Emirates, Saudi Arabia and Oman. This appears to be, in part, a consequence of the drop since 2011 in oil prices, the excesses of the Arab Spring, and concerns about the reliability of the United States. All of these factors have slightly increased India's importance in the region's strategic and economic calculus. For India, these countries are important because they host a sizeable Indian diaspora, provide the bulk of India's imported oil and natural gas, and provide some security assets and occasional intelligence. Finally, India-Israel relations have become more visible and public after return visits by the two countries' presidents and prime ministers over the past two years. Israel is a major defence supplier to India.

Overall, the developments of 2017 and 2018 suggest a great deal of strategic flux from an Indian standpoint. But these are also regional and global circumstances that India is monitoring closely and attempting to respond to appropriately within its capabilities.

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Can Peace be Achieved on the Korean Peninsula?

BY HOO CHIEW-PING

During the 32nd Asia-Pacific Roundtable held by ISIS Malaysia in early May 2018, the discussions during the Northeast Asia Update session on the Korean Peninsula issues focused on the uncertainties permeating from the three main leaders: the questionable sincerity of Kim Jong-un on denuclearisation, Donald Trump's highly impulsive diplomacy and Xi Jinping's unclarified North Korea policy.

The peninsula has experienced rapid changes and development since then. The ostensible biggest loser, China, has now emerged to become the biggest winner of the geopolitical game, while the United States perhaps lost most of its leverages when Trump offered big unilateral concessions, such as ceasing what he called "war games" with South Korea. In addition, the vague joint statement between Trump and Kim allows the North Korean regime to get away from taking concrete steps on denuclearisation, evident from the difficulties experienced by the high-level working group discussion between Secretary of State Pompeo's team in Pyongyang with Vice Chairman Kim Yong-chol in early July. The gap of expectation between the United States and North Korea on who is supposed to take the next step has stalled the momentum of the peace process.

Despite the popular perception that China currently has an upper hand in influence over North Korea, China could also risk being held hostage by Kim Jong-un due to the latter's unpredictable behaviour. The outcome of the Trump-Kim Summit in Singapore has strengthened China's position. However, China still runs the risk of being manipulated by North Korea while simultaneously being excluded by the United States and South Korea due to the issue of distrust, complicated at the same time by the US-China trade war and the THAAD (Terminal High Altitude Area Defense) issue.

China should also be aware of the consequences of rewarding North Korea's bad behaviour. Lifting sanctions on North Korea based on bilateral China-North Korea relations would mean not being able to hold North Korea accountable for its provocations and make it commit to denuclearisation. China would appear to be acting less unilaterally and more in support of the international community, by supporting multilateral cooperation with North Korea, including the new economic map initiative proposed by the Moon Jae-in administration, without relying on punitive coercion strategy such as sanctions.

However, during his Singapore Lecture at the ISEAS-Yusof Ishak Institute in July, President Moon said the new economic map can only be drawn after complete denuclearisation is achieved. This could be counter-intuitive to the spirit of the Panmunjom Declaration announced by the two Koreas this April, as North Korea has called for swift implementation of inter-Korean cooperation. While South Korea aspires to build an H-belt on the Korean Peninsula (see map), implementation should be focused on private and non-governmental sectors' efforts in reaching out to the North Korean people, while the governments are committed to the denuclearisation process. Given ASEAN's connection with North Korea, another area of potential engagement is to allow joint agricultural cooperation aiming at improving North Korean farmers' lives, which also constitutes the majority of the DPRK's population. Under the socialist economy, the farmers' output is vital for the ration distribution system, which the North Korean regime has failed to provide for consistently. As the Southeast Asian countries are mostly advanced in agriculture industry, a joint ASEAN-ROK funded initiative (perhaps through the ASEAN-ROK Business Council) could directly enhance the food provision of the people, which in return would also enhance the North Korean regime's credibility and commitment to the new Strategic Line of improving the national economy. This initiative can also be seen as a litmus test to ensure that the regime is not backing out from any joint collaboration and to test their sincerity in achieving the economic goal.

Supporting economic cooperation and assistance is not in contrast to the maximum pressure campaign. As long as the aim of helping North Korean citizens can be achieved without violating the sanctions, the strategy of transforming the North Korean economy should be prioritised, while maximum pressure is crucial to counter North Korea's nuclear and missile proliferation network.

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/ Selected Publications /

The Future of Think Tanks in Malaysia: Innovate – or Die
ISIS Focus 2/2016, No. 1
Kuala Lumpur: ISIS Malaysia, 2016
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Peace & Security Dialogue – More Urgent Than Ever
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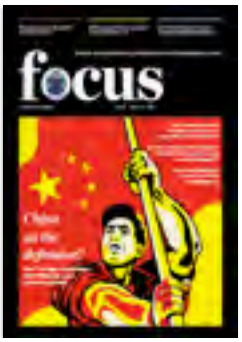

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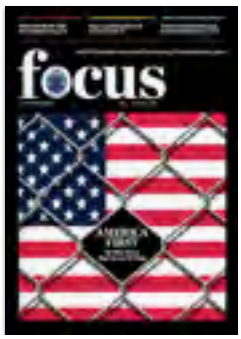

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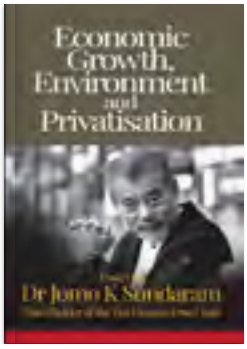

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