

ASIA-PACIFIC WORKING GROUP

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SESSION 2:

TRENDS AND PERSPECTIVES IN ASIA IN COMING YEARS

The early 1980s in Africa, Latin America and in Southeast Asia were a period of people overthrowing dictatorships and bringing about democratic regimes. This is what Samuel Huntington called the third wave of democratization. Like the Aquino government in the Philippines coming to power, coalitions set up or reinstated what we might call liberal democratic governments based on the western model. Whether it was the Washington model of separation of powers or the Westminster model in which you had a fusion of legislative and executive authority. The model was based on free and fair elections as the central principle. Twenty years after the mid-80s it is fair to say that that model of elite democracy is in trouble everywhere. The third wave, so to speak, is over.

We see this in Latin America where there is experimentation with majoritarian democracy with more features of direct democratic control. The lack of the emergence of more populist kinds of democracy in Southeast Asia is accompanying the crisis of elite democracy.

In Southeast Asia this crisis is in progress in the Philippines and Thailand. In the Philippines there was a democratic political system that was embraced by the elites after Marcos. It gave them a chance to compete with one another for power and satisfied a pluralistic sharing of power by the elites, but without any changes in the class structure. A pluralistic elite political structure imposed on an unchanging class structure and instead of popular empowerment there has been a re-empowerment of the elite that reinforces their class power because they reign through democratic mechanisms, through electoral democracy that has legitimacy over military dictatorships.

In the Philippines income distribution is just as bad as it was in 1985 and the levels of poverty have increased. The middle class, but especially the lower class, do not have any hope of using the political system to change, which means that there is massive migration. There is a mass hopelessness that there can be any change in the economic structure and the population that remains in the Philippines, especially the poor, is propped up mainly by remittances – US\$ 20 billion worth a year, which props up the economy. One study in the mid-1990s showed that one-third of all families in metro Manila were dependent to some degree on income coming from abroad.

There is a great degree of alienation that is not translated in to protest, but into exit. There was one protest, when ousted president Estrada was arrested by the government and the people took to the streets. His urban poor base came out in a spontaneous, class-based protest so rarely seen in Philippines history that people from middle and upper classes were scared that this was the uprising of the masses that had been humble for so long. But normalcy returned and now, after the failure of EDSA III, exit rather than protest is the preferred strategy. There is also the issue of corruption pervading the system in a fairly intensive way and the government has experienced a great degree of loss of legitimacy among the people.

In Thailand in 1992 the Suchinda dictatorship was overthrown by both the middle and working class. People thought that finally the military was out for good and, no matter how rocky the transition, the military had learned its lesson. We were all surprised when the military came back in September 2006 and overthrew Thaksin.

The problem was a complex situation because Thaksin began his political career as a populist, who happened to be the richest man in Thailand. He was able to initiate policies such as the 1 million baht per village fund, and symbolic acts like donating a taxi to a taxi drivers association. He won a mass following because of his populist policies, mainly among the lower classes and the rural classes in the northeast and the north.

In any fair election he would have won, but at the same time he was so corrupt and did not know the distinction between the public and private sphere. He was ruling through cronies and had a strong authoritarian bent to his personality. He was pushing through things that upset civil society like the US-Thai Free Trade Act that a lot of people were resisting.

He was able to build a lower class base, but alienated the Bangkok middle class and things came to a head in 2006 when there was street demo after street demo led by the middle class that wanted to oust him. They were unsuccessful and reached a stalemate in that they had enough people to demonstrate on the streets and to prevent him from ruling but not enough to topple him through a people-power event.

This context provided the opening for an alliance between the king, who is very popular and has the last word when it comes to moral authority, and the military. It wasn't just a military coup that ousted Thaksin, but it was a royalist coup triggered by a clever king that speaks indirectly but when he speaks his aids know what he wants. The military carried out the coup but at implicit royalist command.

The military came in and the coup enjoyed support from the middle class, who saw this as a temporary response and that the military was going to restore democracy quickly. There was some civil society support for the coup as well.

Within Focus (on the Global South) we were conflicted because on the one hand Thaksin had corrupt and dictatorial tendencies, but he was democratically elected. We ended up opposing the coup because we felt that to bring back the military to be the arbiter of political life was retrogression to the past. Even within our organization some people were not fully convinced with our position to oppose the coup.

Civil society split over the coup and former allies split and Thai society is now bitterly divided between those who supported and those who opposed the coup. Former friends have become enemies. There has been a constitutional referendum and their will be elections soon. However, Thaksin's lower class base is solid and resentful that greater powers intervened rather than letting democracy flourish.

The hopes of a new democratic order have been dashed in the region – in Indonesia things might be different in the sense that you do have a vibrant civil society engaged in the new democracy and new democratic norms, but even there the old Suharto coalition is now caught up in a pluralist situation where they formed new coalitions to compete against each other in elections. Like in the Philippines, they have removed the old authoritarian monopoly and there is now pluralist contention, but only among the elites and nothing has changed with respect to the class structure.

In regard to the trends in the economy in the region, the big thing over the last decade has been China's seemingly unstoppable growth. One positive impact is that China's demand has helped pull the ASEAN economies out of the financial crisis, but the negative side is that Southeast Asian countries are losing investments to China. Even domestic entrepreneurs have moved to China, it is not just Western investors.

Secondly whether through legal trade or massive smuggling, China is driving a lot of industries to the wall. Borders are so porous and there is massive over production in China.

Third, China is running out of land for food production and Chinese enterprises are looking for new areas in which to expand food production, but for export to China alone. A couple of months ago they concluded a deal with the Philippines government that many Filipinos did not even know about that 1 million hectares would be devoted to producing bio-fuel and other crops to feed China's energy and agricultural needs. This kind of contract for food production is also in other countries and China's demand for natural resources is driving a lot Chinese relations, investments and deals in Southeast Asia. A lot of these deals are under the table, greased with a lot of bribes, for example there was just a major electronic deal brokered by the head of the commission of elections in the Philippines.

Then there are the environmental impacts because it is fairly well established that China's super growth does not respect borders. Industry-related pollution needs to be looked at. The problem is that the countries in the region don't know what to do at this point. China is making deals, trying to seal trade agreements with different countries and although these countries may be formally organized around ASEAN, they are really a collection of 10 separate economies and China can play off different countries in terms of getting better deals.

There is a China-ASEAN agreement, but it is really China making bilateral deals with separate ASEAN countries. There are thinking of this as a new Asian bloc to contend with the EU and the US, but in reality it is not an organized bloc or even an alliance with formal rules between ASEAN and China, but more of an uncoordinated China-led effort in which the countries are appendages of China rather than serious partners.

That doesn't mean that the West has disappeared, Japan and the US are very active in pursuing trade agreements and the EU is now pursuing economic partnerships. This is all in response to the fact that practically everyone has come to conclusion that WTO as a mechanism for trade liberalization is dead. WTO negotiations are not going to go anywhere, so next best thing are bilateral trade agreements to force open markets.

It is not all bleak, as more people have become aware of the disadvantages of trade agreements. It is important to realize what happened in Thailand when negotiations for the US-Thai agreement entered its last phase in January 2006. Ten thousand people converged in Chiang Mai where the negotiations were underway. They tried to storm the building and this reflected the tremendous suspicion and discontent that this was an unfair agreement with an intent to open the Thai economy, but place severe restrictions on intellectual property use by the Thais.

The battle cry was the impact on public health system and enforced patent laws that would make the price of drugs, particularly those for treating HIV/AIDS, go sky high. The public health issue caught fire and the main negotiator was forced to resign and the FTA went into the freezer. The sense was that the battle against the trade agreement contributed to unraveling of Thaksin. This was one of the victories in the fight against free trade that has been inspiring to other people.

US Military

In Asia, there are no challenges to the US military bases structure. Their position in Asia is more stable than in the Middle East and Latin America. They have re-established bases in the Philippines with permanent troop presence, and the country is host to a major US military presence in the name of the war against terror. In Mindanao, the US military operates with impunity and the Philippine military is under their command. The US presence in region is being reoriented not only for war on terror but also against China. This is the strategic threat feared by the Pentagon and the new basing structure is about the containment of China.

Environment

China has passed the US as the world's biggest emitter of greenhouse gases. There also has been the emergence of a spontaneous environmental movement in China and environment related mass group incidents have been increasing in great number. In terms of environmental politics we see the US using the fact that China and India are not required by the Kyoto protocol to undertake mandatory cuts in greenhouse gas emissions as their reason not to have to do so. China and India use the US for the same argument and we see a convenient alliance as all three are free-riding on the rest of the world.

Although the Chinese government has started to emit some rhetoric on the importance of the environment, the model of growth is high-growth and high-consumption driven and is a repetition of the western growth model.

Ahead of the second Kyoto negotiations in Bali in mid-December we have seen the formation of the Asia-Pacific Partnership with the US, China, Australia, India, Japan, Korea and Canada taking the position for voluntary cuts in emissions. These efforts are being seen as trying to derail new negotiations.

There is a question in region as to Canada's shift in environmental positions and Kyoto, there is a sense that Harper government doesn't believe there is climate change. This is seen as disturbing because many of the countries in the South have climate change yet their models of growth address climate change as a very second priority. The elite are caught up with catching up with the West and expecting change to come from the elites is not realistic. Change it is going to come from the mass movements and there have been active environmental movements that have emerged in many countries. What is going to make the difference in climate change politics is to see an alliance between global civil society in the North and in the South. That is the situation as we move into Bali and the renegotiation of Kyoto.