

Prospects for Democracy in the Asian Century

Anwar Ibrahim

Deputy Prime Minister, Malaysia (1993-98)

Chair: Dr John Swenson-Wright

Head, Asia Programme, Chatham House

5 June 2014

The views expressed in this document are the sole responsibility of the speaker(s) and participants do not necessarily reflect the view of Chatham House, its staff, associates or Council. Chatham House is independent and owes no allegiance to any government or to any political body. It does not take institutional positions on policy issues. This document is issued on the understanding that if any extract is used, the author(s)/ speaker(s) and Chatham House should be credited, preferably with the date of the publication or details of the event. Where this document refers to or reports statements made by speakers at an event every effort has been made to provide a fair representation of their views and opinions. The published text of speeches and presentations may differ from delivery.

10 St James's Square, London SW1Y 4LE T +44 (0)20 7957 5700 F +44 (0)20 7957 5710
www.chathamhouse.org

Patron: Her Majesty The Queen Chairman: Stuart Popham QC Director: Dr Robin Niblett Charity Registration Number: 208223

Dr John Swenson-Wright

It is my great pleasure to welcome you today. My name is John Swenson-Wright. I'm the Head of the Asia Programme here at Chatham House. Our speaker today needs really no introduction, but just let me say a few words. Anwar Ibrahim is leader of the opposition party in Malaysia, a figure of great historical and political significance. He served as Deputy Prime Minister in Malaysia between 1993 and 1998 and co-terminously also served as Finance Minister.

His record at that time was seen as particularly instrumental in dealing with the Asian financial crisis. He is clearly a very influential and public figure, often talking importantly about the significance of building bridges between the West and the East. His party secured 52 per cent of the votes in the 2013 elections and holds 40 per cent of the seats in the National Parliament. He's a political survivor, having been in prison for a period of six years in solitary confinement. He faces the prospect of being returned to prison, pending a judgment by the Appeals Court in Malaysia and therefore his presence here today is particularly important and his ability to comment on the political situation in his own country and, of course, his own unique particular biography. He's going to be talking on the record for 20-25 minutes after which we'll take questions. Without further ado...

Anwar Ibrahim

Thank you. Salam aleikum and a very good afternoon, Excellency, ladies and gentlemen. Thank you, Chatham House, for this wonderful opportunity. I understand you were given very short notice and boost my ego a little to consider the option whether to stay here in London or go back to prison in Malaysia. Well, I've decided to return to the struggle, certainly not necessarily to prison.

When one mentions Asia, the refrain 'freedom of democracy' doesn't naturally come to mind. It is true that Asia does have the world's two largest democracies. It has India, which its sheer numbers dual the entire European and the American democracies put together and we have also Indonesia, the world's largest Muslim democracy, but we know that the test of democracy is not in quantity, but in quality.

While the numbers gain, let us not forget that Asia also has the world's largest non-democracy. The dragon has awakened. It is now the fastest growing and soon to be the largest economy in the world. In his poem, *The Statues*, William Butler Yeats was concerned with more than just calculations and numbers when he wrote about all Asiatic vague immensities. He appreciated the importance of the culture and civilisation aspects of what we call 'soft power'.

For in terms of size, there is still the trinity of the Orient, namely Japan, South Korea and Taiwan. They are quality democracies and seem established enough to remain so. They are vibrant civil societies, some like the [indiscernible] foundation, actively promoting freedom of democracy across the region. But as nations they seem to adopt the policy of political abstinence, eschewing any aspirations of being drivers of democracy for the rest of Asia.

The fact remains that autocratic regimes still litter the geopolitical landscape in Asia. They may be absolute monarchies or dictatorships from domestic line or autocracies, they've monopolized power for years. They may also be so called 'emerging economies', with the veneer of all the trappings of democracy, but which in truth are mere shamed democracies, governed by political elites bent on retaining power. A classic statement in democracy, almost a cliché, is attributed to Winston Churchill, which I think is worth repeating: 'Many forms of government have been tried and will be tried in this world of sin and war. No one pretends that democracy is perfect. Indeed, it has been said that democracy is the worst form of government, except all those other forms that have been tried from time to time.'

As for the so-called Asian century, there's no consensus on what the criteria are. Many would agree that impressive growth for the last three decades should count as a major indicator, in spite of the 1997 Asian financial crisis, Asia's economic performance has been on the ascent and if it continues for another two decades, it may well become a force that could bring about a power shift and this seems to be sufficient precedent for establishing the Asian century.

But when it comes to soft power, the jury is still out. For three decades, China had many opportunities to take a lead role in geopolitical affairs, but it did not measure up to the challenge. Its priorities always remain economic growth. Who is to say that this is a right or wrong move? But in terms of its potential to garner soft power, this is an underachievement. Nevertheless, some say that China is incapacitated from leading even Asia in geopolitical matters because of foundational issues of governance, in spite of an open market and FDI growing by leaps and bounds. There should be no mistaking that it remains the world's largest and most powerful autocracy. Well, Putin may dispute that, but it doesn't change China's stark record, as far as human rights and other fundamental liberties are concerned.

In the context of our discussion today on the Asian century, this is indeed an intractable problem. As well as economic power, China may also be able to deliver on culture as one aspect of soft power, but I doubt that would be enough to clog China with moral authority. So what about India? Given its track record in the political arena, India is a vibrant democracy and seems a more obvious choice. Rule of law, independence of the

judiciary, separation of powers, free and fair elections... these are all the plus points for India. The challenge for Modi is, of course, the peace, the concern of ethnic minorities, Muslims, Christians and the Dalits and India's economic infrastructure is still weak and just like China, it tends to be very protectionist.

Having said that, a small caveat is in order. In the Western media, when it comes to Asia, it is called 'increasing protectionism', but when it's the USA or Europe, similar measures are called 'economic patriotism'. The great Chinese sage Confucius, Master Kung was absolutely spot on in advocating the rectification of names. The proper designation of things ensures social harmony not just in domestic affairs, but in international relations, as well. While Asian countries can look at India respectfully for its economic performance, the greater focus should be on its democratic values and the principles of pluralism and inclusiveness.

As Amartya Sen has pointed out, India has a glaring contradiction. The continuing grinding poverty of its masses contrasts sharply with its alleged economic success. It is a poor economy coupled, of course, with the recurrent corruptions that propel the BJP to such a grand victory in the elections, 38 per cent of popular votes to our 52 per cent and I remain your Majesty's Leader of Opposition. Nevertheless, with an increasing gap between the rich and the poor the growing demands for social justice, India's prospect has been emulated by others will be deemed until some major progress will be made in this area. To talk of democracy divorce of social context will be pointless.

We have seen Occupy Wall Street movements that spread around the world. An example of cracking social cohesion and stability in established democracies, when wealth and economic opportunities are monopolized by the rich and powerful. The signs are already there in various parts of Asia. In another decade one can imagine how much deeper and wider this gap will be unless some major redistribution, affirmative action is made to assure social justice. It is true that issues about evolution of equality and wealth concentration in the hands of a few are easier asked than answered and is capital in the 21st century. Thomas Piketty shows that modern economic growth and a diffusion of knowledge may not have lead to inequalities of the scale warned by Karl Marx, but the main driver of inequality is unbridled free market economics. This tends to generate returns on capital that exceed the rate of economic growth and today this threatens to generate extreme inequalities that stir discontent and undermine democratic values.

Aside from the threat posed by the extreme inequalities, I believe the problem of governments is still and remains the greatest impediment as Asian nations get richer and the reins of power continue to be concentrated in the hands of the upper echelons. Though there is no correlation with the corruption in geography, the scourge of corruption happens to be the most rampant in Asia, Latin America and Africa. China and

India have been hit by high-profile corruption cases and many argue that one of the biggest factors that brought down the Indian National Congress Party was corruption. South East Asia needless to say is riddled with corruption. This is an area Indonesia also must seriously examine, however unlike its neighbours, refrain from mentioning a few, Indonesia has taken many strides towards full democracy, complaints of such localized incidents of vote buying notwithstanding. Elections in Indonesia are by far superior to others in the region in terms of being fair and free. I have a slide. I give a joke to former vice president Al Gore. The elections in 1955 in Indonesia are deemed to be more free than Florida in the year 2000.

As for Turkey, I believe that politically the system is in place with the institutionalization of democracy, the rule of law, of poor governance. Don't ask me about Twitter and YouTube. We'll come to that. Economically, its gross trajectories are far better than its European counterparts and in certain respects, are as impressive as that of the Asian tigers and dragons and increasingly more sophisticated middle class; its potential in this regard cannot be underestimated. It is true that recent events appear to have cast a negative light on the state of its democracy, but Turkey's facing exceptional circumstances cause in no small part by elements hostile to destabilize and bring back what we consider an authoritarian military regime.

Egypt unfortunately is a different story. In the aftermath of the July 2013 military coup which toppled the democratically elected government of President Morsi and the missteps in Libya and Bahrain, many have cynically dismissed the Arab Spring as the Arab Winter. Now that the illegitimate government of field marshal el-Sisi into overdrive to legitimize itself with the latest sham elections, all eyes are on the USA and Europe, EU in particular, how they will respond to this phase, what is essentially a protected military coup.

Will Americans and the EU repeat the errors they made for decades with Mubarak? This is a question begging for answer. Speaking of military coups, let us not leave out Thailand, which has fashionably slouched back to its old habits, but as a firm believer in freedom and democracy and whatever circumstances, the military has no business to be in government. Tunisia on the other hand has managed to come out of the storm, walking tall, as a new nation liberated from decades of virtual dictatorship, but the Arab Spring not only brought down oppressive regimes, it's shattered the misconceptions about Islam and democracy. Turkey and Indonesia have already settled this issue, nevertheless the Arab states were always seen as the exception, so this case of Tunisia should put the matter to rest. It has crossed its first major hurdle with the ratification of the new Constitution in January 2014 and we await general elections due by the end of 2014.

Now if an Asian century rose now, a power shift from the West to the East would appear to be on the horizon, but these are suppositions conditioned by many eventualities. To be worthy of the name, such a century should be more about exercising the force of growing economic power. It has to mean more than calculations, calculations driven by insistence on forced dichotomy between the West and East. An Asian century should be built on solid, sustainable foundations of enhancing civil society, delivering good governance and increasing liberties and freedom for the people of Asia alone with rising living standards. If it becomes a zero sum game of they win, therefore we lose, everyone is the poorer. Invest in and support the quality and forget the 'with'. Therein lies our best hope. Thank you.