Asia’s Next Great Challenge
To Balance Growth and Political Development
By Muthiah Alagappa

More than 50 years of spectacular economic growth in Asia has obscured a festering level of underdevelopment in another area that is key to stability and continued growth — the political arena.

Throughout a wide swath of the region, political leaders have tried to convince their people that economic development is enough. Muthiah Alagappa argues they are wrong, and that trouble is brewing if they don’t change.

Political development has not commanded much attention among governments in Asia, especially in East Asia. Most countries have emphasized economic growth as the primary function of government and the key measure of development. In some cases, economic performance is viewed as a substitute for political development. The dominant belief among political elites in East Asian countries and many analysts has been that people can be satisfied with economic goods despite limited or controlled political participation. Economic prosperity, it is believed, can mollify political aspirations. Some leaders see “messy” political development as a threat to both their power and long-term plans for economic growth.

What they fail to see is that economic growth without comparable political development is not sustainable. Political survival without political development is precarious and will eventually lead to ouster from power, with potentially disastrous consequences. Without political development, countries will not be able to realize durable peace and stability or maximize economic growth.

As essential as it is, political development is hard, less visible and under-appreciated. And though interconnected, economic growth and political development are distinctive in their own right. Stunted political development may not only jeopardize economic growth, it can also lead to vio-
lence and instability. It also contributes to securitization of certain issues that can otherwise be managed peacefully through stable political institutions and processes. Without political development many national dreams as well as the dream of an Asian century will remain remote. It is important for Asian countries to pursue both political development and economic growth in order to foster mature nations, legitimate states and resilient economies that can cope with fundamental challenges and withstand even prolonged political crises and economic reversals in a non-violent manner.

WHAT IS POLITICAL DEVELOPMENT?
Political development (PD) is the development of institutions and processes for peaceful construction and change in all things political, especially in three key interrelated areas: Nation-making, state-making and governance. (Governance, or the exercise of state power, can be discussed as part of state making. It has been separated here to ensure it receives adequate attention.)

Spanning the entire spectrum of issues related to the making of nations and states as well as governance, PD entails the development of institutions and processes for the peaceful construction of strong, coherent nations and transparent, accountable states as well as for effective participatory governance. State-making includes development of political structures for the concentration and devolution of state power, including options such as federalism, genuine autonomy for minority communities and even outright independence, separation of powers, a system for the peaceful transfer of state power, and development of strong, impartial, and independent institutions of governance.

PD is more than just the development of institutions and processes for the acquisition and exercise of state power, as is often implied in the academic literature. Democratic development in authoritarian and semi-democratic states, for example, is significant, but only relates to one dimension of PD (the acquisition and exercise of state power). PD must cover all key areas and dimensions. Further, it is not necessarily linear or finite. Success at one point does not guarantee continued success. There is also no cookie-cutter approach to PD. It will vary by country and system.

At its most basic, political development is about giving expression to the political aspirations of the people in line with the principle that sovereignty in the contemporary era rests with the people. In sum, PD is a measure of the development of, and compliance with, widely accepted institutions and processes for peaceful construction and change in the forging of nation and state, and for effective governance. It requires leaders who believe people have the right to make choices on fundamental issues like national identity, governance and administration. Why is it that these crucial principles have received scant attention among Asian political elites?

NOT INTERESTED
The basic reason for inattention to PD is that leaders think they know what is best and that people are incapable of making their own choices. Though leaders may formally endorse the principle of popular sovereignty, they do not fully accept that sovereignty resides in the people they govern. Consequently, their understanding of democracy, for example, is limited in many cases to the process of electing a government. Leaders often do not envision subsequent active roles for the government. Once elected, they hold that the leadership has free rein to govern as it sees fit without checks and balances. Leaders deploy state power, including the police-military-legal apparatus, to limit or manipulate public participation in governance and competition for state power.

As a result, leaders or parties often want to continue their dominance indefinitely with the fear that political development would lead to their ouster. This is likely the case with Communist parties in China and Vietnam and ruling parties in semi-democratic countries such as Malaysia, Singapore and Myanmar. Political parties in all these countries use fear and threat to justify their continued dominance. Implicitly or explicitly, such discourses seek to convince the public that chaos and instability would reign without the guiding hand of the party in power. They argue that only they can maintain national integrity, enforce law and order and manage the economy. Such discourses enable ruling parties to justify restrictions on public participation in politics and curtail opposition parties as irresponsible and incapable of governing. In many cases successive generations of leaders in ruling parties and certain segments of the public have bought into that rhetoric, leading to a strong preference for stability and fear of change.

A third reason for de-emphasizing political development may be that it requires a change in mindset. Political development requires imagination and a willingness to radically reform state institutions and governance. In an era of popular sovereignty and information diffusion, political development requires public participation in the competition for state power, in governance and in the peaceful management of demands for autonomy including even outright independence for communities that seek separate nationhood. Incumbent political leaders are at times unwilling and/or unable to contemplate such changes. Hence, they fear genuine political development and deploy state violence in the name of national integrity, sovereignty and security to deal with demands for change. The scope of national security is considerably narrower in countries that have made substantial advances in political development. The United Kingdom, for example, did not deal with the desire of some segments in Scotland for separate nationhood as a security issue.

Another reason for the lack of PD may simply be a lack of comprehension of its importance or the broad range of issues covered by that term. As alluded to earlier, even scholars often restrict PD to a discussion on the acquisition and transfer of state power. More recently, governance has begun to feature in the vocabulary of public multilateral institutions and governments, but as a seal of approval and in an apolitical form. Notably, nation making has been absent from discussions of political development.

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

CHINA’S VIEW
China and Vietnam, for example, have shifted the basis for political legitimation from Marxism and Leninism to economic performance, governance and nationalism. Despite democratic developments in Taiwan and South Korea, the dominant belief among the political elites in China and Vietnam seems to be that as long as material wellbeing is improving the population will not concern itself with politics.

Intent on preserving its dominance, the Chinese Communist Party (CCP) emphasizes stability and economic growth above all else. It seeks to preserve the political status quo by tinkering with representation, providing avenues for individual freedom and social mobility, separating party and government to the extent possible in a
one-party political system, institutionalizing leadership change and emphasizing good governance. Concurrently, it has cultivated a culture of apprehension and foreboding, strongly suggesting that in the absence of the CCP’s chaos and instability would result. In line with such thinking, dissent has been ruthlessly suppressed, at times in the name of fighting corruption. Public political participation is highly limited and regulated. There is virtually no open competition for state power at the provincial and national levels, giving rise to periodic power struggles within the CCP.

Despite formal acknowledgement of China as a multinational state and articulations such as “one country, two systems,” Beijing’s policy approach rests on the belief that there is only one (Han) Chinese nation and that there can only be one Chinese state, thus it does not entertain ideas of genuine autonomy, let alone independence, for minority communities like the Tibetans and Uighurs, who resist Han Chinese domination. On that basis, Beijing views Taiwan as a province of China and seeks ultimately to unify it with the mainland. That also informs Beijing’s rejection of democratic demands in Hong Kong. The CCP views political development that could reduce its legitimacy as dangerous and unacceptable.

Political development in China has been deliberately stunted by the CCP, which appears to believe in the sovereignty of the people. In line with that view, it has staked its legitimacy on high levels of economic growth and good governance, thus far with a relatively high degree of success. Though appearing acceptable for now and even celebrated in some quarters as an alternative model of development, prolonged curtailment of political development will in due course have political as well as economic ramifications that could threaten not only the CCP’s hold on political power, but also the makeup of the Chinese nation and China’s national political map.

MALAYSIA’S MYOPIA
A similar situation prevails in many Southeast Asian countries, nearly all of which emphasize economic growth as the key measure of development, with political development taking a backseat. Malaysia, for example, has embarked on a national economic transformation program to make it a developed country by 2020. That vision initially included political dimensions, but over time the goal has been interpreted essentially in economic terms (first as a developed economy and subsequently as a high-income country). The political leadership has increasingly staked its legitimacy and reputation on achieving high-income country status by 2020. Though it has become more important and urgent, political development may even be sliding backward. After more than 50 years of independence, Malaysia is still struggling with national identity. There is an ongoing tussle (peaceful for now) among at least three competing narratives in the making of the Malaysian nation, with the dominant party emphasizing the well-trodden but increasingly contested bases of race and religion. Though accepted in earlier years, ethnic nationalism in Malaysia has progressively become a divisive issue. There is also a growing likelihood that Sabah and Sarawak will demand greater autonomy within Malaysia and possibly go their separate ways.

It is pertinent to note here that Singapore’s separation from Malaysia in 1965 was grounded in issues of national identity and devolution of state power. Concurrent with the struggle over national identity, Malaysia’s hitherto widely accepted one-party dominant political system has much weakened over time and is now under challenge. The ongoing leadership struggles within parties and nationally, as well as the numerous scandals that plague the country, reflect the rot that has developed within the ruling coalition that has dominated political power for more than 50 years. The opposition also is in disarray. At the same time, state institutions — such as the judiciary, bureaucracy, armed forces and police — that were once among the best in the region, are now less representative of the demographic makeup of the population, less efficient, less trusted and less independent. More generally, political arrangements, institutions and processes widely accepted in earlier times are becoming undone or are no longer considered legitimate by key segments of the population. The shortcomings of one-party dominance over a prolonged period and the consequences of weak or no separation of government powers are becoming highly visible. Lacking effective political leadership, institutions and processes for peaceful management of its many challenges, the country may be headed toward years of political turbulence and instability with high economic costs before a turnaround is in sight.

CHALLENGES AND TURBULENCE AHEAD FOR SINGAPORE
Neighboring Singapore may be trending in a similar direction, albeit the pace, path and intensity could be different. Thus far, Singapore has been a success story in nation-making, state-making and especially in governance. With strong, effective and impartial state institutions that are perhaps the best in Asia and among the best in the world, strong political leadership has delivered effective governance, although that may be contested by some segments of Singapore society. Singapore’s success thus far has been largely if not solely due to the dominance of the People’s Action Party (PAP) and the public’s willingness to support it. But it appears likely that its strength could be the cause of future weaknesses and liabilities. As in several other countries (Taiwan, South
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Vigilance and responsive socio-economic policies viewing the decline primarily as down to socio-economic grievances, the PAP is seeking to regain its stature via policy modifications, including its population policy and continued emphasis on good governance. Political grievances that might eventually loosen the PAP’s grip on power have not been addressed, at least not overtly.

Notwithstanding arguments to the contrary, it is hard to deny that the fusion of the PAP with the well-being of Singapore has been undermined by the 2011 election and may suffer further setbacks. Resort to threat discourses based on survival are no longer credible to the present generation of Singaporeans. For a number of reasons, disenchantment of citizens with their government appears to be growing. While expatriates and foreigners continue to praise the PAP government, they do not elect it. Despite PAP efforts to counter negative effects, such as corruption, and develop substitute institutions (like feedback mechanisms and nominated members of parliament to provide alternate voices), the weaknesses of prolonged one-party rule are becoming visible. The out-migration of Singaporeans in the context of a highly competitive environment may help tide the system over for a decade or so. But Singapore’s present political system, like that of Suharto in Indonesia, appears highly unlikely to survive the ouster of the PAP from power. Declining acceptance of the one-party dominant state along with weak and incoherent opposition and the lack of experience with peaceful transfer of state power could make for political turmoil in the years ahead.

Such a scenario may seem preposterous to some after the recent 50th anniversary celebrations that highlighted Singapore’s success in moving “from a third-world country to the first world” but Singapore remains likely to confront formidable nation making and governance challenges. Having achieved a relatively high degree of success in creating a nation based on citizenship and common destiny, the challenge will be to renew, remake and strengthen that nation in the context of the relatively rapid influx of foreigners needed to maintain high economic growth rates based on an economic model that places a premium on foreign labor. Apart from creating value and identity disjunctions, the growing numbers of foreigners create anxiety among mostly middle- and lower-income Singaporeans about their place in the country. The out-migration of Singaporeans in the context of a highly competitive society, strict controls on freedom of expression and continuous redevlopment in land poor Singapore are also raising fundamental questions about national belonging and identity.

Though successful thus far, governance in Singapore is likely to face new challenges arising largely from the dissolution of the 50-year fusion between the PAP and state institutions, and the ensuing separation of powers. Singapore must embark on political development to meet the challenges if it is to avoid future political turbulence and economic setbacks. This includes developing a political system that could see the PAP ousted from power. Success in that would require the political leadership to discard “old” visions, narratives and strategies; transcend party interests; remake the party; encourage greater separation of powers and independence of state institutions; allow for real public participation in politics; and peacefully accept the reduction of the PAP’s power. It may well be an era that appears less stable and predictable than the comfortable past.

THAILAND’S ROCKY ROAD

The 2014 military coup was a huge political setback for Thailand. That coup, along with the earlier 2006 coup and more generally political developments since 2003, dashed hopes that the country was on its way to becoming a full-fledged democracy. In the absence of commitment on the part of political leaders, democratic institutions and processes that propelled earlier political development in Thailand seem no longer adequate. Political dynamics would appear to have outrun the system and its institutions. Despite its earlier commitment to reconciliation and a non-partisan approach to constitution making, the vested-interest approach of the military to political reform since the last coup suggests that political development in Thailand is unlikely to make headway anytime soon. More political upheavals may be in store, which could be triggered by the demise of the ageing but much revered King Bhumibol Adulyadej. The continuing violent struggles in southern Thailand also highlight ongoing challenges that date back to the era of King Rama VI and Phibun Songkram. Despite its longer history (relative to its neighbors), nation-making in Thailand continues to confront major challenges that cannot be resolved within either existing frameworks or those that are now being developed by the military. Fundamental change in narratives and leadership mindsets are required, but these may not be forthcoming in the foreseeable future.

SOUTHEAST ASIAN LAGGARDS

Even in countries that have experienced recent regime change, political development does not seem to be a high priority. Despite the reforms since November 2010, political development in Myanmar appears to have hit a stone wall, with the military intent upon keeping its firm grip on state power. For example, it has refused to amend the constitution to allow Aung San Suu Kyi to run for president, and it also refuses to give up the guaranteed 25 percent quota in parliament that gives it veto power. The recent purges in the ruling Union Solidarity and Development Party, including the ouster of Shwe Mann as chairman, are also a setback, as is the military stalling the peace process with so-called minority communities. In other words, PD in Myanmar has been deliberately stunted by the Tarnawad, or Myanmar military.

For its part, while Indonesia is touted by many as a success story in democratic development, political development there is still fragile. Jakarta has yet to come to terms with devolving state power to local authorities, including accepting options like federalism and autonomy. It also faces many challenges in building strong, effective democratic systems and state institutions, especially in ensuring civilian control over the military. Likewise, the remaining countries of Southeast Asia including the Philippines, Brunei, Cambodia and Laos face severe challenges of political development. Indeed, political development in nearly all Southeast Asian countries — and China — appears to have lagged economic growth. In some, large PD may even be sliding backward.

PROGRESS IN EAST ASIA

PD appears to have made greater headway in Taiwan, South Korea, Japan and India, but only in selective areas and it still suffers many weaknesses. Democratic transition and consolidation in Taiwan and South Korea have contributed to the development of the state in both countries. Although democratic institutions and processes still suffer shortcomings, PD has enabled both countries to regularly change the party in power peacefully and to cope with economic reversals. Likewise, participatory governance is also becoming the norm in both countries. However, both Taiwan and South Korea continue to con-
Japan has the longest history as a modern nation and state in Asia, yet it still confronts challenges arising largely from stereotypical conceptions of who or what is Japanese. Nation-making in Japan could confront even more serious challenges if segments of the Okinawan population seek separate nationhood and if there is no peaceful process to let such demands play out. Despite the many crinkles, Tokyo has made progress in developing effective state institutions and a political system that enables regular competition for and peaceful transfer of state power to winning parties (for example to the Democratic Party of Japan in 2009). The political dominance of the Liberal Democratic Party from 1955 to 1993 brought the weaknesses of a one-party dominant system (especially political and fiscal corruption) to the fore, leading to its splintering and loss of power in the 1993 lower house election. Although the post-1993 system still suffers severe shortcomings, it has ushered in a new era of competition for state power. Those who prefer stability over change may well deride the frequent changes of government in Japan since 1993 and Tokyo’s inability to overcome its two-decade economic stagnation. Taking a longer-term view, though, one can argue that developments since 1993 have strengthened Japan’s strategic political stability and made democracy the only game in Japan. Yet Japanese political leaders and bureaucrats must firmly commit themselves to the principle of popular sovereignty to further strengthen the nation, its democratic institutions and governance.

INDIA ON THE RIGHT PATH
Despite serious flaws in governance, India appears to have made substantial advances in nation- and state-making. Excepting those living in the Kashmir Valley and in some states in the northeast, most of India’s diverse 1.2 billion people now identify themselves as Indian. By building on the idea of multiple identities, adopting flexible linguistic policies and devolving power to states within a federal political structure, Indian nation-making has achieved considerable successes.

At the same time, inflexible conceptions of the Indian nation and state prevent peaceful resolution of outstanding nation-making challenges, especially in Kashmir and the Northeast. Despite insurgent Naxalite movements in some states, unseemly practices by democratically elected leaders (authoritarian tendencies, predatory behavior, corruption, vote buying and thuggery among them), election violence, and the cult-following mindset of some voters, democratic elections and practices have become the mainstay over 68 years at the national and state levels. Even when elections do not deliver definitive outcomes, the state continues to function for substantial periods with no fear of a military coup or illegal seizure of power. And there are growing avenues for the Indian public to monitor and influence governance even after an election. Some may see the frequently “unruly and disruptive” exercise of that right as a hindrance to effective governance and may link India’s relatively slow economic growth to its democratic system. However, the economic performance of any country, including its growth rate, is dependent more on its policies than the type of political system. China, for example, has had the same political system since 1949, but only began to experience sustained rapid growth with the change in policies instituted in 1978. Likewise, India has had the same political system for the past 68 years, with its growth rate varying over time.

Despite its many shortcomings, political development has enabled India to withstand political and economic shocks, including prolonged political crises and periodic economic slowdowns. While India still has a long way to go in developing effective state institutions and transparent, accountable and effective governance it seems to be among the few countries in Asia that has achieved reasonable success in political development. It has also begun to register modestly high economic growth.

As the above discussion illustrates, political development is still weak and uneven in most Asian countries. In many countries, especially those in East Asia, political development lags economic growth. For a number of reasons, governments in these countries have emphasized economic growth as the key measure of development. Some even see it as a substitute for political development.

Economic growth cannot substitute for political development and is not the answer to domestic or international political problems. Moreover, high levels of economic growth cannot last forever. Almost certainly there will be downturns and setbacks that will raise questions about economic performance as the primary basis for political legitimacy. The key question is not what have you done for me over the last several decades, but what have you done for me lately?
growth has a limited impact on political institutionalization. It can strengthen some state institutions and make more resources available to those in power but without political development, those additional resources cannot resolve domestic or international political problems that require political solutions. Demands for political autonomy or even outright independence by minority communities, for example, cannot be satisfied by economic largess alone. Framing political challenges as economic ones not only masks the real nature of problems but also complicates and possibly securitizes them.

THE WAY FORWARD
More importantly, humans are not just economic animals. As material needs are satisfied, people crave political participation. This desire stems not just from the middle class but also from competing elite and working classes. Likewise, good governance is crucial but cannot substitute for participation and competition for state power. In an era of popular sovereignty, demands for political participation, competition, devolution of state power, self-rule and governance that is transparent, accountable, participatory and effective are unavoidable.

I am not arguing for the abandonment of economic growth and development as national goals. My point is that more comprehensive development is needed that includes both political and economic development. Where possible, the two should be mutually reinforcing. Economic growth is necessary to reinforce the legitimacy of political systems grounded in popular sovereignty. However, setbacks in economic growth should not undermine the legitimacy of the entire political system. It should be possible to bring about peaceful change in government without putting the entire regime in jeopardy. That requires political development. South Korea, for example, was able to bring about a peaceful change in government in the midst of the Asian financial crisis in 1998 without abandoning its political or economic systems.

The key is to make such change non-violent and legitimate. Losing power in an election need not imply losing power forever. New conceptions of sovereignty that accept options like federalism and autonomy need not necessarily lead to the fragmentation of countries. Public expectations of transparency, accountability and effective governance are the norm in an era of popular sovereignty. The body politic will not forever accept ideas and policies that imply the government knows what is best for the people and country. Asian political elites must become more mature and accept “new” understandings of nations, states, political systems and governance. Though hard, political development is crucial if leaders are to truly serve the interests of the people they govern and leave durable legacies.

Failure in political development has the potential not only to undermine economic growth and lead to conflict and instability. If securitization of political issues becomes the norm countries may not realize their full potential. In Asia, this could mean that the prospect of an Asian century would remain a dream.

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