

Conclusion

Institutional Dilemmas in Southeast Asia: Flexibility, Credibility, Stability and the State

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According to the *National Opinion Poll: Canadian Views on Asia 2016* report by the Asia Pacific Foundation (APF), for Canadians, ASEAN countries consistently rank low, if not the lowest, in terms of their importance to Canada’s economic prosperity.¹²⁶ In an op-ed published in 2015, Stewart Beck, APF President and CEO, commented that, in the perception of many Canadians, ASEAN remains “convoluted and confusing,” “a mishmash of disparate nations with varying forms of government; different levels of development; diverse cultures and religions; and, quite often, troubled historical pasts.”¹²⁷ At some level, there appears to be discomfort, even reservations, in this perception of Southeast Asia. Part of the challenge of furthering Canada’s engagement with Southeast Asia is precisely to demystify this view, that is, to advance a deeper understanding of the complexity and diversity characteristic of the region and its identity.

Table 1: Importance to Canada’s Economic Prosperity

2012		2014		2016	
China:	46%	China:	35%	China:	40%
Japan:	26%	Japan:	31%	Japan:	34%
India:	16%	Australia:	26%	India:	24%
ASEAN:	12%	India:	20%	Australia:	22%
South Korea:	10%	South Korea:	13%	South Korea:	16%
Australia:	NA	ASEAN:	12%	ASEAN:	15%

*Note: Percentage of Canadians who perceived that the countries or regions are important to Canada’s prosperity from APF’s *National Opinion Poll: Canadian Views on Asia 2016*.

Contributors to this special volume on “Southeast Asia in an Evolving Global Landscape” have responded directly to the challenge by integrating their research and practice to effectively inform Canada’s policy in Southeast Asia. With that objective, analyses in the volume highlighted several key overarching points. First, Southeast Asia is a region of burgeoning economic opportunities, and ASEAN is an indispensable intergovernmental pillar of regional security and stability. Strengthening Canada’s engagement with countries in the region and ASEAN is thus an imperative for Canada. Second, it is important that Canada demonstrates a credible commitment by sustaining its engagement and presence

¹²⁶ “2016 National Opinion Poll: Canadian Views on Asia,” Asia Pacific Foundation. https://www.asiapacific.ca/sites/default/files/filefield/apf_canada_2016_nop_final.pdf. Accessed 5 August 2017.

¹²⁷ Stewart Beck, “Canada, Meet Southeast Asia,” Asia Pacific Foundation (March 18, 2015). <https://www.asiapacific.ca/op-eds/canada-meet-southeast-asia>. Accessed 5 August 2017.

abroad in the region as well as its commitment at home to support study, research, and in-house expertise on Southeast Asia. Third, given the diversity and divergent interests of ASEAN countries, a flexible and pragmatic approach which takes into consideration the importance of country-specific contexts as well as regional dynamics will more likely yield fruitful achievements.

Despite the centrality of ASEAN in the institutional architecture of the region on trade and security, ASEAN remains deeply divided and bounded by constraints. The recent delay by ASEAN in issuing a joint statement after the gathering in Manila in August was an exemplary indicator of the strained efforts by members to reach an agreement on contested issues such as China's assertion, reclamation, and construction in the South China Sea. In many ways, ASEAN faces a fundamental dilemma often confronted by multilateral institutions, that is, the trade-off between flexibility and credibility in institutional design. Divergent interests and priorities demand ASEAN to give ways for greater flexibility in order to accommodate and refrain from infringing on its members' sovereignty. On the one hand, Paul Evans suggests that the "flexible, inclusive and non-aligned" nature of ASEAN is a key feature that does not necessarily preclude the organization from realizing its commitment to building "a strong, stable, and prosperous Southeast Asia." On the other hand, absent a more binding institutional framework, the efficiency and credibility of the institution are questionable. As Lindsey Ford stresses, the number one criteria for a multilateral framework, such as the Code of Conduct between China and ASEAN countries, is that it must be binding. Likewise, a principal reason why Deborah Elms and Barath Harithas are skeptical about the likelihood of a Canada-ASEAN FTA in the foreseeable future has much to do with ASEAN's lack of the kind of institutional rigor needed to bind its members to negotiate and conclude a comprehensive and high-quality agreement.

While it is indeed important to consistently support the progress toward building a regional economic and security community in Southeast Asia, it is also apparent that a narrow and exclusive reliance on ASEAN, without equal or greater attention to the institutional dynamics and particular context of individual countries, will also lead to other "missed opportunities." Elms and Harithas argue that it is much more sensible to allocate scarce resources to pursue potential bilateral agreements based on existing commitments between Canada and individual states as opposed to an ambitious and visionary but likely unfeasible Canada-ASEAN FTA. On countering terrorism and insurgency, Sidney Jones discusses how regional ties fall short from providing the "antidote to extremism"; rather, the antidote may lie in renewed efforts to strengthen institutional capacities and governance of individual countries.

A comprehensive and balanced approach to "active engagement" by Canada in Southeast Asia must therefore direct greater attention and support to strengthen the political and institutional framework within individual countries. The fact that fundamental institutional structures about the decision-making process and political representation often remain heavily contested in many Southeast Asian countries not only feeds domestic political instability but also affects international cooperation. The linkage between domestic politics and international policy should not be overlooked in Canada's comprehensive and balanced

approach to Southeast Asia. State-building and institutional capacity are a necessary condition for effective performance, policy-making, and international cooperation. A state with higher capacity to avoid capture and plunder by powerful particularistic interests is better able to pursue effective and responsive policy that advances the public good as well as to enhance policy coherence and credible commitment to international cooperation.

Taking the state seriously

Closer analyses of three Southeast Asian countries from a comparative perspective below show that regime type itself is not a deterministic factor for effective performance; rather, it is the degree of institutionalization, “the process by which organizations and procedures acquire value and stability,”¹²⁸ that matters significantly for effective policy and performance, irrespective of normative claims about regime types. Vietnam, Thailand, and the Philippines represent the spectrum of political systems found in the region with varying degrees of political order and stability. Vietnam has been a stable single-party regime since the “reunification” of the country in 1975. In contrast, the Philippines stands out as the earliest electoral democracy in the region with the first election dated as far back as 1901. Since its independence in 1946, Philippine democracy was interrupted by the Ferdinand Marcos dictatorship from 1972 to 1986, and followed by seven coup attempts during the tenure of Corazon Aquino after democracy was restored by the 1986 People Power Revolution. It is also ranked as a country with one of the highest levels of electoral volatility in the region.¹²⁹ Thailand is situated somewhere in between, swaying from democracy to non-democracy, with as many as 19 coups (and counting)¹³⁰ since the overthrow of Thailand’s absolute ruling monarchy in 1932 to the latest coup against then-Prime Minister Yingluck Shinawatra in 2014 by the Thai military.

A. Vietnam

Since the Communist Party of Vietnam (CPV) established *de jure* rule of the entire country after 1975, the Party has demonstrated a persistent effort to build a strong and capable institutional apparatus to govern effectively in addition to consolidating and preserving the political order of the regime. Despite its authoritarian label, Vietnam has been relatively responsive and effective in incorporating public interests and providing public goods. Comparative studies find that Vietnam has managed to achieve a high level

¹²⁸ Samuel P. Huntington, *Political Order in Changing Societies* (New Haven: Yale University Press, 1968), 12.

¹²⁹ Allen Hicken and Erik Martinez Kuhonta, “Introduction: Rethinking Party System Institutionalization in Asia,” *Party System Institutionalization in Asia: Democracies, Autocracies, and the Shadows of the Past*, (eds.) Allen Hicken and Erik Kuhonta (Cambridge: Cambridge University Press, 2015), 12.

¹³⁰ The exact count of actual and attempted coups Thailand has had is not necessarily self-evident. See, for example, Nicholas Farrelly, “Counting Thailand’s Coup,” *New Mandala* (March 2011). <http://www.newmandala.org/counting-thailands-coups/>. Accessed 8 August 2017. Also see, Greg Myre, “Why Does Thailand Have So Many Coups?” NPR.org (May 22, 2014). <http://www.npr.org/sections/parallels/2014/05/22/314862858/why-does-thailand-have-so-many-coups>. Accessed 4 August 2017.

of economic development with lower inequality than the Philippines¹³¹ and China¹³². This positive performance is attributed to the degree of institutionalization and institutional capacity of the state as well as the relative autonomy of state institutions.

There is an increased emphasis on formal rules of law as Vietnam pursues further reforms of key policymaking institutions. One can find evidence of such effort in the recent reforms of the Constitution in 2013, the Law on the Organization of the National Assembly in 2014, the Law on Oversight Activities of the National Assembly and People's Councils in 2015, and the Law on the Promulgation of Legislative Documents in 2015. In one way or another, these reform measures seek to further organize, clarify, and consolidate government functions and responsibilities and the programmatic agenda of the Vietnamese party-state. More specifically, they contain provisions that strengthen institutional oversight mechanisms, particularly those performed by the National Assembly¹³³ as well as citizen monitoring and evaluation, in order to improve the performance of state institutions.

Certainly, there remain limitations to the reforms, and exactly how far the CPV will allow reforms to take is still in question. Nevertheless, Vietnam has been relatively open and receptive to participation and input from international partners and organizations in the process. It is therefore an advantageous time for Canada to seek opportunities to deepen its involvement through partnerships with both state and non-state domestic institutions and organizations in activities like policy research, dialogues, and programs on law, policy, and institutional reforms.

B. The Philippines

Compared to Vietnam, the Philippine state lacks the institutional capacity and autonomy to push through comprehensive, programmatic policy reforms that advance the public good. The weakness of institutional structures in the Philippines fundamentally has to do with the dominance of personalistic and clientelistic interests which have been deeply entrenched in the political system since the American colonial days. Through cyclical elections, the political system has been “choked continually by an anarchy of particularistic demands from, and particularistic actions on behalf of, those oligarchs and cronies who are currently most favored by its top official.”¹³⁴ In short, lacking in capacity and autonomy, the Philippine state has been largely captured by oligarchs, with “guns, goons and gold”¹³⁵.

¹³¹ Erik Kuhonta, *The Institutional Imperative: The Politics of Equitable Development in Southeast Asia* (Stanford: Stanford University Press, 2011).

¹³² Edmund J. Malesky, Regina M. Abrami, and Yu Zheng, “Institutions and Inequality in Single-Party Regimes: A Comparative Analysis of Vietnam and China,” *Comparative Politics* 43,4 (July 2011): 409-427.

¹³³ “Toward More Effective Government Oversight by the National Assembly,” *The Asia Foundation* <http://www.asiafoundation.org/resources/pdfs/TowardMoreEffectiveGovernmentOversightbytheNational-AssemblyofVietnam.pdf>. Accessed 7 August 2017.

¹³⁴ Paul D. Hutchcroft, “Oligarchs and Cronies in the Philippine State: The Politics of Patrimonial Plunder,” *World Politics* 43,3 (1991): 415.

¹³⁵ Paul D. Hutchcroft, *Booty Capitalism: The Politics of Banking in the Philippines* (Ithaca, NY: Cornell University Press, 1998).

This defective pattern continues well into the present day. According to one study, the percentage of members of Congress belonging to a family dynasty has steadily increased from 62 percent since the Congress (1987-1992) to 72 percent in the 13th Congress (2003-2006) in the Philippines.¹³⁶ An empirical study on the effect of “dynastic rule” in the Philippine House of Representatives further finds not only that areas dominated by family dynasties are less likely to receive public good provisions, but also that they experience poorer governance overall, including poorer infrastructural development, low healthcare spending, and ineffective prevention of crime.¹³⁷ Part of the reasons for the overwhelming popular support¹³⁸ for President Rodrigo Duterte is that, for many Filipinos, Duterte’s ascendancy, populist policies, and approach to policy implementation signal, at the very least, a long-awaited break from the grip of oligarchs on the Philippine state. At the same time, Duterte’s decision-making power is practically unconstrained by the Philippine institutionally weak state. Under the charismatic yet domineering and impulsive leadership of Duterte, as manifested by his war on drugs, martial law¹³⁹, and unpredictable foreign policy, the Philippine state thence continues down a precarious trajectory.

C. Thailand

Next to Vietnam and the Philippines, Thailand is a moderate case with intermittent attempts at institutionalization and partial results, but also constant military interventions. On the one hand, the weakness of Thailand’s party system resembles the Philippines’ insofar as the system has been one of “institutional fecklessness and ideological vacuousness,” monopolized and manipulated by powerful businessmen and former generals who went through the revolving door for personal gains.¹⁴⁰ On the other hand, the emergence of the Thai Rak Thai (TRT) Party led by Thaksin Shinawatra¹⁴¹ in 2001 was the exception that differentiated Thailand’s experience from that of the Philippines. TRT demonstrated its organizational capacity by advancing cohesive, responsive, public-oriented policies such as pro-poor programs, universal health care, and financial assistance initiatives to farmers. As Erik Martinez Kuhonta stresses, “For the first time in Thailand’s democracy, legitimacy

¹³⁶ Sheila Coronel, Yvonne Chua, Luz Rimban, and Booma B. Cruz (Eds.), *The Rulemakers: How the Wealthy and the Well Born Dominate Congress* (Quezon City: Philippine Center for Investigative Journalism, 2007).

¹³⁷ Rollin F. Tusalem, and Jeffrey J. Pe-Aguirre, “The Effect of Political Dynasties on Effective Democratic Governance: Evidence from the Philippines,” *Asian Politics and Policy* 5,3 (2013): 359-386.

¹³⁸ Aurora Almendral, “Rodrigo Duterte, Scorned Abroad, Remains Popular in the Philippines,” *New York Times* (October 13, 2016). <https://www.nytimes.com/2016/10/14/world/asia/philippines-rodrido-duterte-rating.html>. Accessed 7 August 2017.

¹³⁹ Jonathan Hustedt, “Why Duterte’d Martial Law Declaration in Mindanao is So Concerning,” *The Diplomat* (June 13, 2017) <http://thediplomat.com/2017/06/why-dutertes-martial-law-declaration-in-mindanao-is-so-concerning/>. Accessed 8 August 2017.

¹⁴⁰ Erik Martinez Kuhonta, “Thailand’s Feckless Parties and Party System: A Path-Dependent Analysis,” in Allen Hicken and Erik Martinez Kuhonta, eds., *Party Institutionalization in Asia* (Cambridge: Cambridge University Press, 2015), 280.

¹⁴¹ Thaksin Shinawatra is the former Prime Minister of Thailand from 2001 until the 2006 military coup and the brother of the more recently ousted Prime Minister Yingluck Shinawatra by the 2014 coup.

was being claimed based on policy performance by a political party.¹⁴² Overwhelming popular support for TRT in turn also forced other political parties to compete by advocating for their own universal health care proposals, land reforms, free public education, and other public-oriented policies.¹⁴³

Such progress, however, is often cut short by military-led interventions and party banning in Thailand. While the military has always chosen to relinquish its power after the resettlement of new political arrangements in the past, the entrenchment of the military and the perception that the military reserves the power to overtake the political system at any point in time it deems necessary is a grave hindrance to institutionalization. The practice of political party banning and dissolution in Thailand since 2006 further “hampers” party institutionalization and promotes clientelism and patronage in the political system.¹⁴⁴

In the present day, Thailand faces “the triple threat”: The succession of King Bhumibol Adulyadej by his son King Maha Vajiralongkorn Bodindradebayavarangkun; the extended military rule of Thailand under General Prayuth Chan-o-cha; and the escalation of separatist insurgency in southern provinces.¹⁴⁵ Against this backdrop, if Canada is serious about its commitment to a sustainable, long-term engagement with Thailand, it should demonstrate that it gives priority to governance and the restitution of a rule of law—as opposed to rule *by* law—in the country, rather than acting complacent or quiescent in the interest of securing trade and economic relations. To make up for “lost time,” Jonathan Miller has cautioned Canada against falling back into the previous approach, which was narrowly defined by a “trade first” mentality and myopic focus on market opportunities.

For the many civilians, academics, and organizations that have been suppressed and derogated by the Thai junta, “business” simply does not go on as usual since the May 2014 coup. In response, on July 17, 2017, “the Community of International Academics” and scholars of Thai studies attending the 13th International Thai Studies Conference together released a statement on academic freedom and human rights in Chiang Mai.¹⁴⁶

¹⁴² Erik Martinez Kuhonta, “Social Cleavages, Political Parties, and the Building of Performance Legitimacy in Southeast Asia,” *Parties, Movements and Democracy in the Development World*, (eds.) Nancy Bermeo and Deborah J. Yashar. Cambridge University Press, 2016. P. 86.

¹⁴³ See for example, Erik Martinez Kuhonta, “The Politics of Health Care Reform in Thailand,” *Towards Universal Health Care in Emerging Economies. Social Policy in a Development Context* (London: Palgrave Macmillan, 2017); Joel Selway, “Electoral Reform and Public Policy Outcomes in Thailand: The Politics of the 30-Baht Health Scheme,” *World Politics* 63,1 (2011), 179.

¹⁴⁴ Aim Sinpeng, “Party Banning and the Impact on Party System Institutionalization in Thailand,” *Contemporary Southeast Asia* 36,3 (2014), 442-66.

¹⁴⁵ Nicholas Farrelly, “Thailand’s Triple Threat”. (July 2017). Available online: <https://www.lowyinstitute.org/publications/thailand-triple-threat>

¹⁴⁶ “Return the space of knowledge, rights, civil liberties to Thai society.” July 7, 2017. <http://prachatai.org/english/node/7276>. Accessed 8 August 2017. It is reported that, following the public release of the statement, three academics, including the well-known political scientist Prajak Kongkirati who read the statement out loud at the conference, were asked in an internal memorandum by the Interior Ministry to report to the local junta security unit for a “talk”. See, “Academics deny conduction ‘staged political activity’ on campus,” *The Nation* (July 19, 2017) <http://www.nationmultimedia.com/detail/breakingnews/30321224>. Accessed 8 August 2017.

Practically, in this instance, Canada can reaffirm its stance through diplomatic gestures, actual participation, as well as direct assistance to support academic freedom for scholars on Thai studies both within and outside of Thailand.

Implications for Canada

Why should Canada be concerned with the role of domestic institutions and capacity in Southeast Asian countries? There is a critical linkage between domestic politics and international policy. The establishment of a rational-legal political order and institutional capacity is not only significant for advancing responsive and effective domestic policies but is also necessary for countries to pursue policy coherence and credible commitment to international cooperation. For Canada to strengthen its global standing and increase its footprint in Southeast Asia, Canada's engagement thus should go beyond dollars and vessels in the South China Sea, trade opportunities, and regional security issues.

Countries in Southeast Asia do not follow a predictable linear path from greater economic development to democratization. As Kai Ostwald poignantly notes, "an ideologically driven promotion of liberal democracy" based on a one-size-fits-all policy will unlikely solve the region's problems. The ways in which Canada can contribute to institution-building, specifically to aspects which would strengthen rational-legal domestic institutions and autonomy of the state for greater calculability, precision, and responsiveness, therefore depend significantly on the particular context of each country.