

DECOUPLING GOVERNANCE AND DEMOCRACY: THE CHALLENGE OF AUTHORITARIAN DEVELOPMENT IN SOUTHEAST ASIA

THOMAS PEPINSKY

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EXECUTIVE SUMMARY

A wealth of recent academic analyses and popular discussions about democratic backsliding across the world have identified Southeast Asia as a region that is particularly vulnerable to democratic decline. Taking stock of the comparative experiences of the 11 countries in the region, this essay argues that Southeast Asia is characterized by the decoupling of governance and regime type: there is little evidence that democracy is associated with the quality of governance, however measured, across countries or over time. Moreover, there is no evidence of region-wide democratic erosion in Southeast Asia, in either the short or the medium term.

These findings have implications for understanding how the so-called Beijing model of authoritarian capitalism is shaping the region. The challenge of authoritarian development has a long history in Southeast Asia, and the Chinese growth experience is but the latest example of an authoritarian developmentalist regime that challenges the superiority of democracy for producing a stable platform for economic growth. China's economic policies and diplomatic actions do not directly encourage authoritarian capitalism or incentivize countries to follow a particular national political or economic model. Instead, its influence is indirect, consistent with a common emphasis across the region on a relatively small set of issues in economic development, construed as a technocratic or managerial problem rather than a problem of democratic politics.

Rather than trying to “re-couple” democracy and accountability within Southeast Asia, advocates for better governance and democracy in Southeast Asia ought to recognize that the two may be pursued separately. This means, first, a narrow focus on what accountable governance might mean in less-than-democratic settings. Second, rather than mounting an argument that democracy produces accountability and effective governance, advocates should defend democracy as a process and mechanism through which to support individual rights, liberties, and freedoms. These may be improved even under regimes that do not oversee meaningfully competitive elections, or even when they do not improve governance outcomes in electoral democracies.

INTRODUCTION

This essay provides a panoramic overview of governance trends in Southeast Asia. Descriptively, there are two main findings. First, there is no evidence of region-wide democratic erosion in Southeast Asia in either the short or the medium term. Second, we see little correspondence between democratic practices and civil liberties in the region, on one hand, and effective and capable governance, on the other. Governance in Southeast Asia has changed only gradually, these changes have had little to do with changes in formal political institutions such as democratization. These findings have implications for understanding how the so-called Beijing model of authoritarian capitalism — where the state plays an active role in directing economic development in the broader national interest, with a pragmatic emphasis on results rather than ideology, but liberal democratic freedoms are suppressed in the name of political stability — is shaping the region. In the midst of the ongoing COVID-19 pandemic, linked inextricably with China, the question of what sorts of governments are best able to manage pressing large-scale social problems is particularly relevant. These findings also provide useful insights about the possibility and the value of fostering more accountable and effective governments across the region.

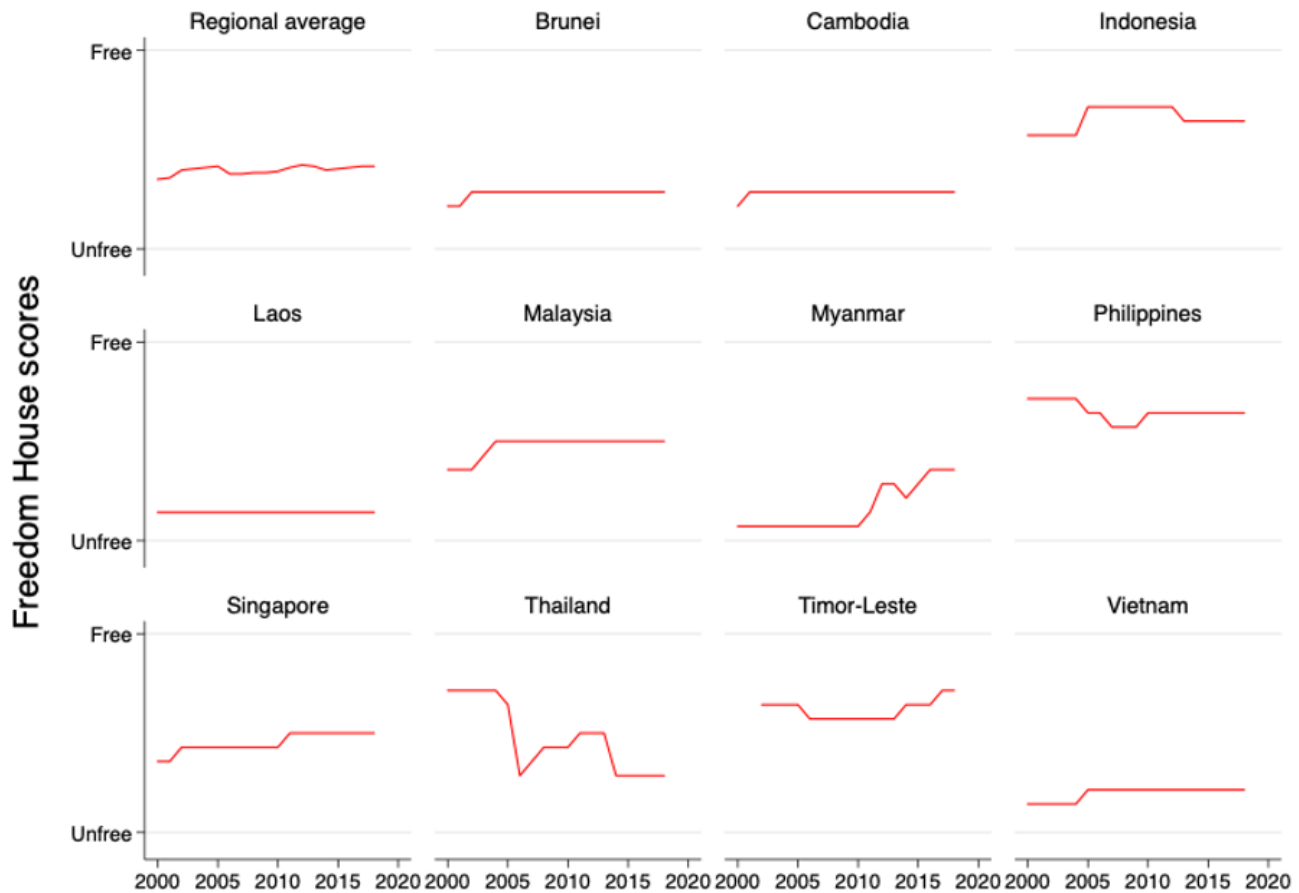
Before proceeding it is important to fix terminology. By democracy, I mean the institutional structures and practices that enable meaningful electoral competition between political parties over who may hold legitimate political authority.¹ By governance, I mean the institutional structures practices through

which those who hold political power exercise that authority.² Democracy and governance are not the same thing, both conceptually (as many have argued) and empirically (as I will show below). It is possible that democratic politics produces more effective and responsible governance,³ which is one argument for pressing for democratic reforms. It is also possible — as some admirers of the contemporary Chinese approach to capitalism and development hold — that democracy is inimical to effective and responsive governance, or that it is not the right political formation for countries who are facing steep challenges of economic development or political stability. Internally, few countries in Southeast Asia hold that they are anything other than “democratic” (although their understanding of that term varies enormously), and all governments across the region claim to prioritize effective and responsible governance. Before digging into the relationships between governance and democracy and their implications, however, I summarize the empirical record across the region.

QUANTITATIVE TRENDS IN DEMOCRACY AND GOVERNANCE

The basic trends in Southeast Asian democracy are summarized in Figure 1, using data compiled by Freedom House in its annual “Freedom in the World” reports.⁴ Each line is the sum of Freedom House’s “civil liberties” and “political rights” indicators, with higher values corresponding to more freedom (measured in ways that convey, essentially, more democracy).

FIGURE 1: DEMOCRACY IN SOUTHEAST ASIA, 2001-PRESENT



Source: Freedom House⁵

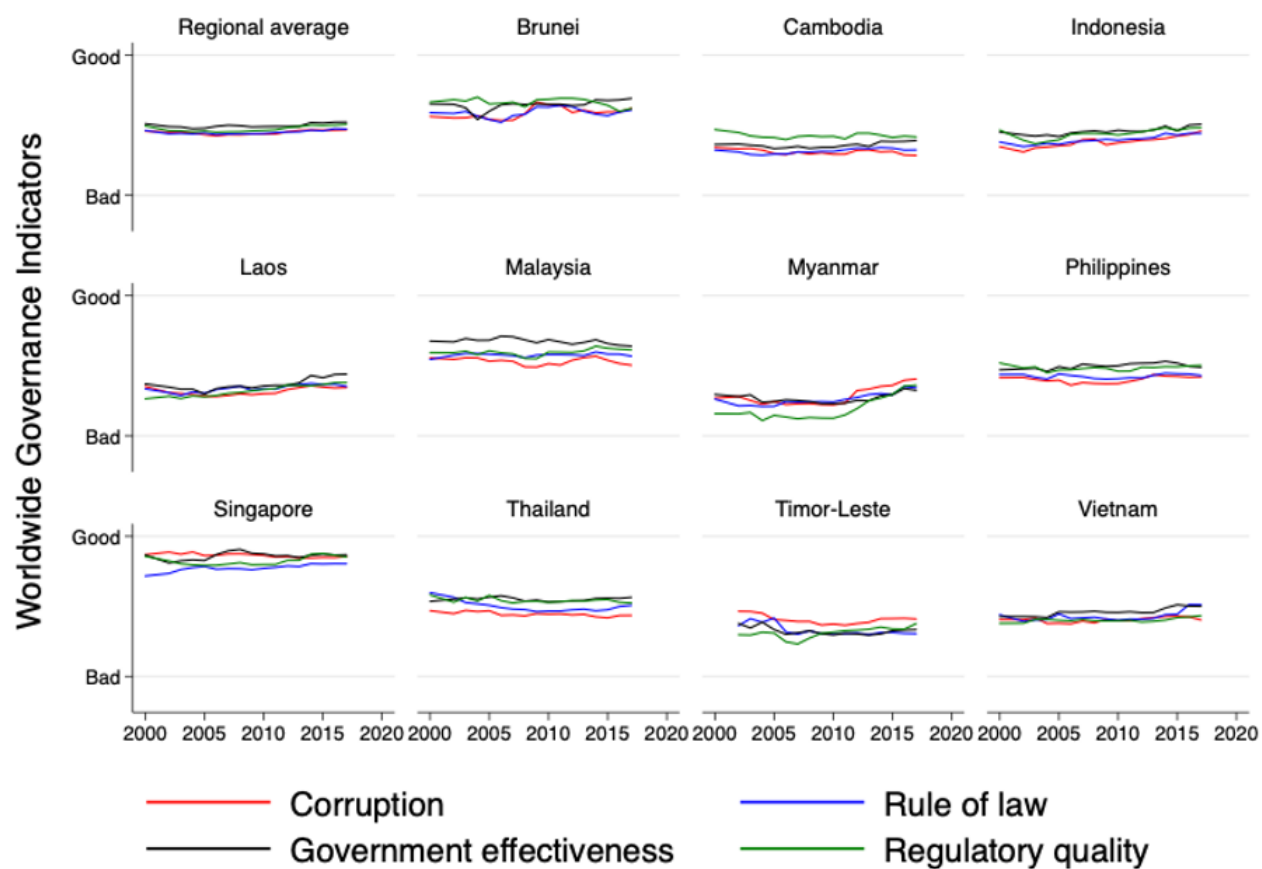
The first plot in the upper-left hand corner shows the average composite Freedom House scores for all 11 countries in Southeast Asia (these are raw averages, not weighted by country population). There is no evidence of regression in political rights or civil liberties across the region in recent years. The country plots show why: cases of democratic regression such as Thailand have been matched by cases of opening and liberalization (however halting and incomplete) in Myanmar and Timor-Leste. Most countries have remained stable over time. The region's best hope for democracy over the past decade — Indonesia — saw its scores deteriorate early this decade. With the benefit of a bit of perspective, we remember that most country watchers had long expressed their concerns about democratic consolidation and the protection of civil liberties in Southeast Asia.

This conclusion sits at odds with academic analyses and popular discussions about democratic backsliding across the world. For example, the 2018 “Freedom in the World” report’s subtitle is “Democracy in Crisis” and its discussion of the Asia-Pacific region references Cambodian Prime Minister’s Hun Sen’s “crackdown on the country’s beleaguered opposition and press corps” as well as the Rohingya genocide and the “military[’s] enormous autonomy and political power” in Myanmar.⁶ It might also have referenced Philippines President Rodrigo Duterte’s vicious anti-drug war, a military-run election in Thailand, concerns about freedom of conscience in Indonesia, and many others.⁷ There can be no doubt that these are worrying signs for the fate of democracy in the region. But these concerns are not new, they are simply the latest iterations of medium-term political processes specific to each country.

To summarize trends in governance across the region, Figure 2 plots four indicators from the World Bank's Worldwide Governance Indicators dataset.⁸ These indicators include corruption, rule of law,

government effectiveness, and regulatory quality, each of which reflects a facet of governance or politics other than simply regime type or level of democracy or freedom.

FIGURE 2: GOVERNANCE IN SOUTHEAST ASIA, 2001-PRESENT

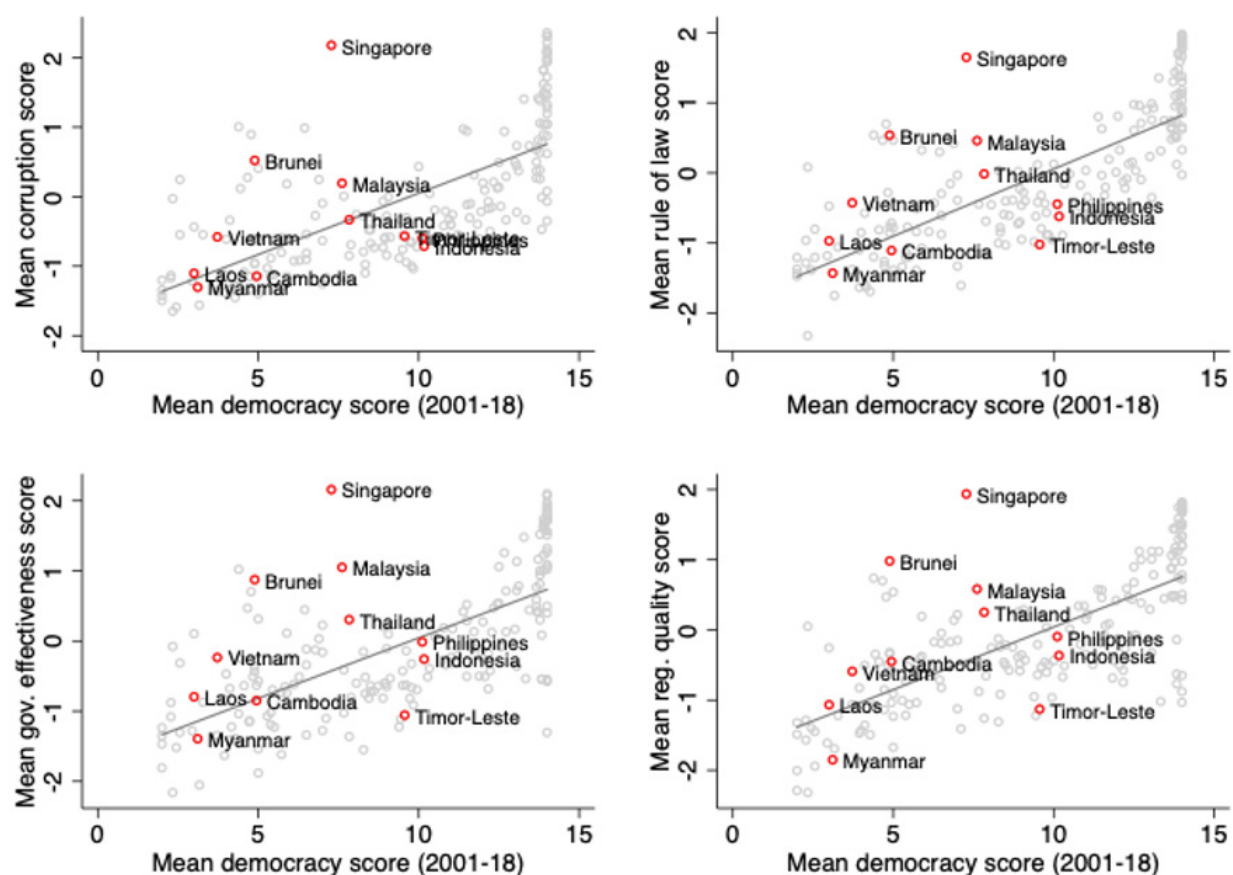


Source: The World Bank⁹

Once again, the upper-left hand figure plots average levels of governance, and provides little evidence of broad changes in governance across the region. But strikingly, across countries and indicators, we also see little change in governance quality over the past two decades. Countries such as Indonesia and Laos have slowly trended upwards, but not by much. Governance indicators for Thailand remain roughly constant, despite truly dramatic political change on multiple occasions. Those countries that scored well on governance indicators in the early 2000s are exactly those who score well today. Only Myanmar has seen meaningful change over time, with regulatory quality improving alongside political liberalization (but no noticeable improvement in government effectiveness or the rule of law).

These trends, together, indicate that Southeast Asia as a region is characterized by a *decoupling of governance and regime type*. There is little systematic evidence that democracy is associated with the quality of governance however measured, either in *levels* (Singapore and Brunei score high on governance, much lower on freedom and democracy) or in *changes* (democratic progress in Timor-Leste is not associated with improved governance, and democratic regress in Thailand is not associated with deteriorating governance). Although in a global sample it is true that democracy (or democratization) is associated with good (or improving) governance (see Figure 3), the Southeast Asian experience provides no evidence in favor of that proposition.

FIGURE 3: DEMOCRACY AND GOVERNANCE AROUND THE WORLD

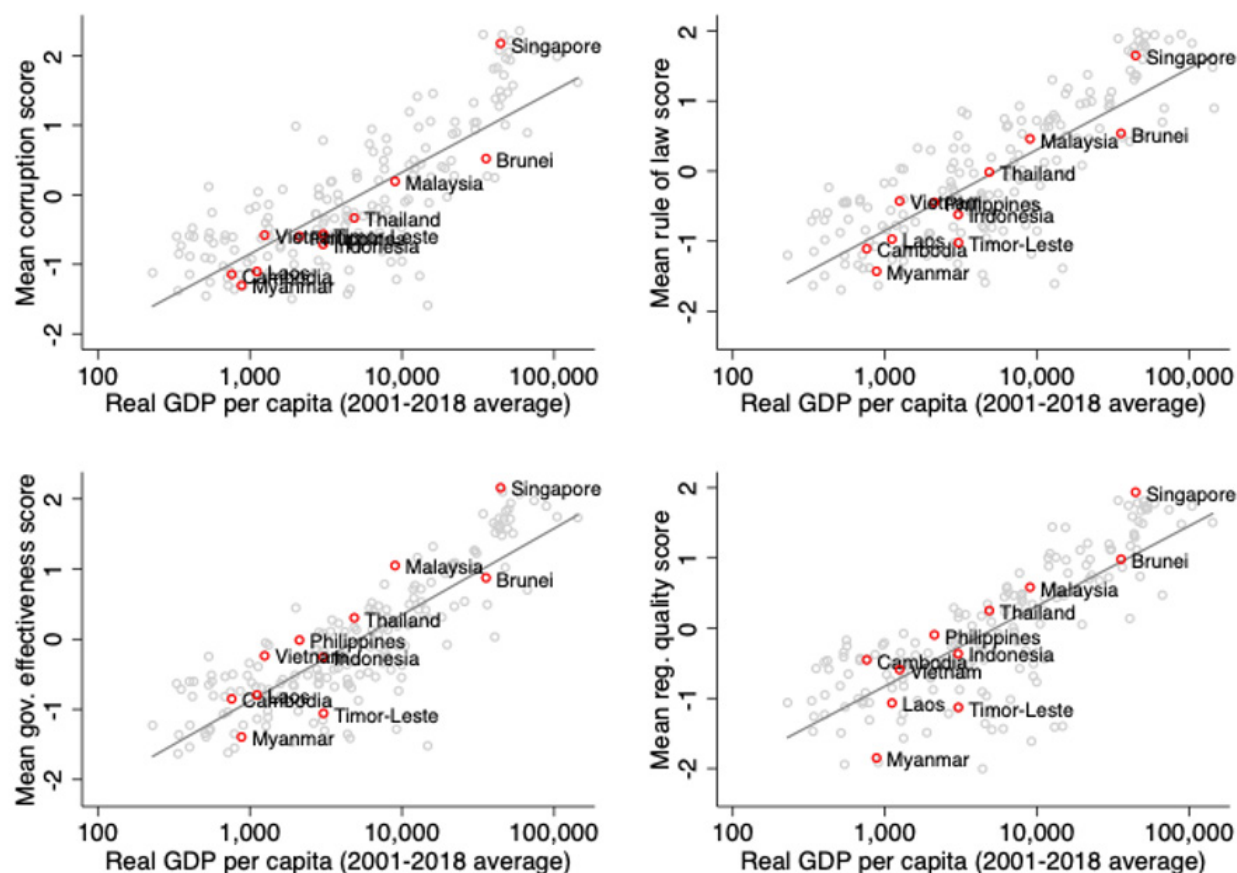


In each chart, each dot represents one of 197 independent countries, with Freedom House democracy scores and Worldwide Governance Indicators averaged between 2001 and the most recent year for which data is available. The labelled red dots locate the Southeast Asian cases. Source: Freedom House and The World Bank.¹⁰

It is important not to push these conclusions too far. The governance indicators used here have been subject to abundant critique, with some arguing that they simply proxy for economic development.¹¹

Indeed, the correlation is quite strong between these governance indicators and levels of economic development, and Southeast Asian cases fall right as they should (see Figure 4).

FIGURE 4: GROWTH AND GOVERNANCE AROUND THE WORLD



In each chart, each dot represents one of 197 independent countries, with Worldwide Governance Indicators and World Bank data on real GDP per capita in 2010 U.S. dollars, averaged between 2001 and the most recent year for which data is available. The labelled red dots locate the Southeast Asian cases. Source: The World Bank.¹²

Whether or not the relationship between governance and growth is causal (good governance causes good economic performance) or incidental (good governance is just an imperfect proxy of economic development), the important conclusion is that democracy and governance are decoupled in Southeast Asia.

LEARNING FROM DECOUPLING

Stepping back, that finding alone is a victory for proponents of authoritarian capitalism and the so-called “Beijing model” or “Beijing Consensus.”¹³ Democracy’s defenders must mount a positive argument that democracy fosters good governance and accountability, and that democracy does not threaten social, economic, or political stability. For those who disagree, it merely suffices to observe that “it depends” or “not necessarily.”

But we should not conclude that this offers too much support for Beijing’s own understanding of the Chinese growth experience as resting on an exportable political model. Instead, it has long been the case that observers both within and outside the region debate the political foundations of Southeast Asia’s economic prosperity. Singapore’s development since independence has done more than China’s growth since 1978 to establish that, in point of fact, there is no simple correlation between democracy and effective governance under stable legal institutions.¹⁴ This is true even for those observers who recognize the importance of informal institutions rather than some objective and apolitical rule of law in explaining Singapore’s success.¹⁵ The governance records of Indonesia and the Philippines since democratization, which have proven disappointing in the years since the 1997 Asian financial crisis undermined the Asian development model, have also undermined any simple argument that democracy produces effective governance.¹⁶ Simply put, the authoritarian development model is an old debate within Southeast Asia.

Nevertheless, we do observe a common emphasis across the region on a relatively small set of issues in economic development, construed as a technocratic or managerial problem rather than a broader political one. In countries as diverse as Vietnam, Myanmar, and Indonesia, regimes champion government effectiveness through delivery of services, infrastructure development, bureaucratic responsiveness, and carefully managed global economic integration. Almost no government opposes these things, regardless of its level of development, history of openness (autarky versus international engagement), political regime (communist single-party state, liberalizing former junta, or electoral democracy). But to reiterate, governance in these contexts is conceived as a technocratic or managerial problem, rather than one of politics, representation, or accountability except for in the vaguest of senses. And both rhetorically and in actual practice, such discourses of governance as a matter of responsiveness and effective administration deemphasize political liberties, freedom of expression, and criticism. Of course, liberal, progressive, and populist voices throughout the region defend civil liberties and civil rights, but they find themselves doing so from outside the halls of power rather than setting the governance agenda from within.

What is the role of China in these developments? Is China strengthening the case for authoritarian capitalism in Southeast Asia, either directly or indirectly? China’s economic policies and diplomatic actions do not, to my knowledge, directly encourage authoritarian capitalism or incentivize countries to follow a particular national political or economic model. China has no direct interest in other Southeast Asian countries adopting its political-economic model. Instead, China’s primary objective for countries within the region is to establish and maintain regional dominance, which is best accomplished by working with governments of any type within the region and pushing for issues in China’s strategic interest (i.e., megaprojects, dams, and deference to the Chinese position on the South China Sea).

However, the indirect effects of China's rise are inescapable for politicians and mass publics alike. The very fact of China's rapid economic growth, its successful harnessing of infrastructure and technology to increase material prosperity without creating mass social disorder, means that China is an example to which those dissatisfied with their incumbent regimes can look. Likewise, China's success in managing economic transformation without political liberalization may undermine liberal reformers who press for deeper democracy in Southeast Asia. China's delayed response to COVID-19 illustrates for many the problems of China's political model, with local officials' unwillingness to face the magnitude of pandemic until it was far too late.¹⁷ But others draw attention to how effective China was in stamping out the virus, whereas the United States has fared dismally in comparison.

At the same time, China's position as the regional hegemon (sorry, my fellow Americans) and therefore either a strategic rival (for Indonesia or Thailand) or direct security threat (for Myanmar or Vietnam) places inherent limits on its ability to model capitalist development for the rest of the region.¹⁸ And although popular commentary in Southeast Asia is muted on issues such as the Hong Kong protests and the treatment of China's minorities in Tibet and Xinjiang, the strategy of hard authoritarian control employed by President Xi Jinping is plain to observers in the region. China's material development and ability to project power are attractive in Southeast Asia, but not so much the politics of the Xi regime. A move to explicitly promote China's political model as one to be adopted by other countries — one that provide carrots to entice governments in the region to adopt China's political structure rather than to act in its diplomatic and economic interests — would amount to a fundamental challenge to Western interests.

ENGAGING SOUTHEAST ASIA

Given these cross-national patterns, historical legacies, sticky institutional trajectories, and the challenges of pressing for meaningful political change, what should be the priority for those who

wish to engage with Southeast Asia, fostering democratic practices and more accountable governance? Rather than trying to “re-couple” democracy and accountability within Southeast Asia, on the hypothesis that one will produce the other, a better approach is to acknowledge their decoupling and treat each as a separate issue worthy of pursuit in its own right.

This means, first and foremost, a narrow focus on what accountable governance might mean in less-than-democratic settings. Southeast Asia's authoritarian regimes vary in their ability and willingness to anticipate the needs and concerns of key stakeholders at home. But both within the region and without, a more open economic development model requires these regimes to liberalize their domestic political economies to some degree. Contrast Myanmar under autarky with Myanmar since liberalization, or Indonesia prior to the 1980s deregulatory push and Indonesia afterwards. There is no need to argue that such liberalization produces truly meaningful political accountability or progressive and inclusive pro-poor policies, but it does create incentives for governments to develop procedures to anticipate the needs of at least some important economic and social sectors. To take one prominent example, Vietnam's opening since the late 1980s has spurred a range of institutional reforms at the subnational level, which have been matched with efforts to assess institutional quality (as proxied through competitiveness) which may indeed have been strengthened by increasing openness.¹⁹ Foreign donors have played a central role in these efforts.²⁰ Vietnam is not a democracy, and those left behind by development have only limited access to the ears of policymakers in Hanoi, but local governance has improved nevertheless, and the country's political economy has been transformed as a result. And indeed, Vietnam's enviable record of managing COVID-19 illustrates how such transparency-enhancing reforms can have enormous social and economic benefits.²¹

Separately, one might strengthen democratic practices by recognizing that they are valuable in their own right. That is, rather than mounting an argument that democracy produces accountability and effective governance, defend democracy as a process and mechanism through which to support individual rights, liberties, and freedoms. These matter, and they may be improved even under regimes that do not oversee meaningfully competitive elections, or even when they do not improve governance outcomes in electoral democracies. Singapore may permit greater levels of public protest without disturbing the People's Action Party's rule much at all; the Philippines may halt extrajudicial killings of suspected drug dealers without threatening the regular rotation of family dynasties in that country's politics; Laos may loosen its grip on the press without undermining the Lao People's Revolutionary Party's grip on power; and the Rohingya may be saved from genocide without upsetting the delicate balance of power between the army and the National League for Democracy in Myanmar. Although the empirical record does not support the proposition that democracy or civil liberties create good governance and economic growth, there is little evidence either that increasing political rights and civil liberties within Southeast Asia has undermined good governance or prevented economic development either (which is another conclusion that one may draw from Figure 2 above).

But do these values conflict? In other words, does protecting individuals' ability to claim rights and exercise liberties undermine accountability or effectiveness, perhaps by making governing "too hard" or opening up politics to what Indonesia's anti-democratic first president Sukarno dismissed as "free fight liberalism" characterized by competition among many pressure groups seeking influence and ethnic minorities exerting disproportionate political power?²² Once again, there is no need to deny that authoritarian control suppresses the challenges associated with representative government; that is, after all, one of the main arguments in favor of limiting civil liberties and

mobilizing state power under the Beijing model. But it is hard to conclude that Indonesia's and the Philippines' central development challenges are that their citizens have too many rights. Indonesia's slow response to COVID-19 and the challenging policymaking environment for a country with insufficient public health infrastructure both are problems of governance,²³ not of political rights and civil liberties.

The policy implications that follow from this discussion are straightforward.

- *The international donor community should prioritize reforms that target efficiency and capacity.* Consistent with a long history of development policymaking and the priorities of the international donor community, external supporters of democratic liberties and accountable government can press for greater economic openness across the region without making these efforts conditional on democratic reforms. Those who press for more effective government may look for points of common agreement with their counterparts: the importance of clear regulatory frameworks, dispute-resolution procedures, employee rights and voice, and data transparency.
- *Watch what lessons are drawn from COVID-19 – and who draws them.* The American and Chinese experiences with COVID-19 are different, but what they share is that they expose weaknesses in both Beijing's and Washington's ability to handle fast-moving pandemics. Each country's leadership is keen to steer the narrative. A key point to watch is whether Southeast Asian countries focus on the narrative of culpability (U.S. President Donald Trump's obsession) or the narrative of effective management (Xi Jinping's focus). Even if Southeast Asia's governments express more frustration with China's slow movement to contain the pandemic in early 2020, mass publics and oppositions may be more attuned to the effectiveness of

China's eventual response.²⁴ As conditions continue to worsen in the United States (as of July 2020), the Trump administration's catastrophic mismanagement of the American public health response will further undermine the U.S. position in Southeast Asia.

- *Reforms that target local governments may be less politically objectionable than reforms that target national political institutions.* Reform efforts that target accountability and transparency focus on improving local governance and government capacity at the subnational level, while remaining mindful of the difficulties of changing national political institutions and modes of government through anything other than slow, deliberate, patient work. That few governments are explicitly opposed to such these kinds of efforts, at least in broad strokes, means that there are many opportunities for engagement.

- *Supporters of deeper democracy and greater civil liberties should not base their arguments on the presumed economic benefits of democracy.* At the same time, work on civil liberties may resist the temptation to portray the protection of civil rights and political liberties in economic consequentialist terms, especially in imperfect democracies such as Indonesia and the Philippines. The better argument is that Southeast Asians desire democratic rights for the same reason that people around the world desire them: because they provide voice (if not necessarily accountability or responsiveness) and as a result allow citizens to advocate for their own civil liberties. The work that many governments and non-government organizations do to support the right to protest, access to information, freedom of the press, and freedom of conscience is invaluable, even if it does not always generate the desired outcomes. And unlike governance trends which are sticky, rights and liberties do change over time, so there are grounds for optimism.

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ABOUT THE AUTHOR

Thomas Pepinsky is Tisch University Professor in the Department of Government at Cornell University, and nonresident senior fellow at the Brookings Institution. A specialist in Southeast Asian politics, his current research focuses on identity and political economy in a globalized world, and the politics of COVID-19 in the United States and beyond.

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