

## Strengthening Democracy in Southeast Asia

by

**Anwar Ibrahim, Jose Luis Gascon, and Thitinan Pongsudhirak**

**Anwar Ibrahim:** Ladies and gentlemen, Excellencies, thank you very much to Mr. Iwatake and the Sasakawa Peace Foundation USA for giving us this opportunity. This happens to coincide with the discourse yesterday at the Library of Congress, the anniversary of President Reagan's statement on democracy promotion and the speech, which was clearly an impressive one, given at Westminster in London. And yesterday, having the opportunity to address the members there at the Library of Congress, I mentioned the interesting discussion and dialogue between President Reagan and Lady Thatcher, where Lady Thatcher made the comment that a little rebellion once in a while may be quite a good thing—rebellion against tyranny, rebellion against injustices perpetrated against the people.

Now we are having to grapple with this whole issue of democracy deficit after 25 years. There were days when I thought that we had established remarkable progress in terms of success of democracies throughout the world and Southeast Asia, too, particularly the Philippines, Thailand, and more impressive again, is Indonesia. Malaysia comes close, fifth or sixth, just better than Burma.

### **The Meaning of “Democracy”**

But it is interesting now when we evaluate the whole process of strengthening democracy, because the term has been much abused. When we talk about the failure of democracy, or democratic

institutions, and the need to strengthen them, you assume that these were, or are, democratic societies or countries. I mean, there is a range of terms used from Fareed Zakaria's “illiberal democracy” to “soft authoritarianism.” But these are, or were, clearly fragile systems, fragile democracies. Although they have many of the characteristics and ingredients of a democratic enterprise, they are certainly not entirely democratic.

Democracy is not determined purely and solely by the presence of elections; elections are fraudulent processes in these countries. Not just the presence of phantom voters, which is not necessarily unfamiliar here—you know what happened in the year 2000 to my friend in Florida—but a fraudulent process means that you have hundreds and thousands and, in some countries, millions of phantom voters, unregistered voters. You do not have access to a free media. The judiciary is compromised. Now without these characteristics and ingredients in place, can we then call these countries, including the successful transition to a functional democracy in Thailand, democracies? I mean generally, of course, even academics prefer to use the term. But I think now when we encounter this problem of a fraudulent process, intimidation of voters, massive rigging and bribery, judges being part of and abetting the crimes of leaders and so on and so forth, it is to my mind difficult to readily accept the use and abuse of this term.

Secondly, this term is, to a large extent, promoted in an incompetent way by the administration in the United States. They were the first who readily, willingly, used this term to give credence to many of these undemocratic and corrupt regimes. The reason being, as some of my friends in the administration tell me, is that a soft diplomacy would, to a large extent, relatively speaking, be more effective than a stronger statement against the excesses in these regimes. But the mistake or the blunder, the bungling of this policy, is that you create a state of confusion. You give credence and credibility to corrupt, intolerant, repressive regimes. And you give this semblance of support to a society in a country not ready to undertake reforms. I'm not suggesting you send troops like you did to Iraq—certainly, that is out of the question. But a consistent, coherent voice and message is important.

### **Asian Values**

Now thirdly, on the issue of socio-economic policies, there is a huge debate and much discourse on this subject. We have the notion of Asian Values suggesting that stability and peace is paramount to ensure socio-economic development, and democracy must come later, and therefore, you lend credence to the whole thesis of Asian Values promoted by Lee Kuan Yew, Osman, my great friend Mahathir Mohamad, and the rest. But these have been effectively debunked by Amartya Sen, because it is not a quid pro quo between stability, democracy, and freedom on one hand and socio-economic progress on the other. I think countries must be given the chance to move forward ensuring stability and progress, both politically and economically, because democracy, in the final analysis, is not about a choice between starvation and freedom. It is about ensuring

that there is freedom of choice. There is a freedom to be free, democratic, and at the same time socio-economically successful.

### **The Problem of Reversal**

And finally, looking at the scenarios that my colleagues would, of course, be more competent to address, the Philippines or Thailand. It is certainly quite disturbing because you can see some form of reversal from the more promising developments in the last decade to endemic, rampant corruption and the disintegration of many of these institutions. This relates to our basic question that a democracy can only be deemed to be sustainable with a functional system, with institutions of governance in place. Without free media, independent judiciary, free and fair elections, and a viable economy, no democracy can be deemed to be sustainable. Maybe so in the short term, but certainly not in the medium term.

### **Burma**

I would end with a note on how we view these democracies as opposed to the worst case, Burma, where we can see the utter abdication of responsibility and failure of governments in ASEAN, the failure to undertake positive effective measures, and also the failure to attempt any meaningful influence other than this obsolete notion of constructive engagement. And as I have said in other forums, the only thing happening in Burma is construction undertaken by these countries. There is no constructive engagement, only construction in terms of the new investments benefiting the corrupt military junta in Burma. Thank you very much.

**Catharin Dalpino:** Before we go to Attorney Gascon, let me say a word about pairing Thailand and the Philippines together on this program, because they have certain things in common and yet, also certain things that make them very different. Both countries in the 1990s were considered to be the flagship democracies of Southeast Asia. Both countries have been perceived in the past several years as having been in a period of reversal for different reasons. Both countries also, of course, have been treaty allies of the United States and have had, at different times, democratic dialogue in their relations with the United States. Also—and I think this is probably the most significant—both of them have been recently and are still in significant periods of internal constitutional debate. And both of them have seen some constitutional conundrums, perhaps Thailand more intensely than the Philippines. But it is interesting to see that this aspect of democratic consolidation, a reexamination of their charters, seems to be something that both countries are approaching. So let me turn it over to Attorney Gascon.

**Jose Luis Gascon:** Thank you very much, Catharin, for that introduction and basic framing of the issues in the Philippines. First of all, I want to thank the Sasakawa Peace Foundation USA and its director, Mr. Iwatake, for this opportunity to discuss issues of democracy in the region, particularly in the Philippines. I am particularly pleased and fortunate to be sharing the panel with Kun Anwar, who I have not met personally, but I have admired from a distance. When he was arrested and tortured and jailed, we in the Philippines empathized greatly with his struggle and the groups that I was involved with had been part of the campaign to have him released. I'm so happy to see that he is here

now with us. We wish you well, Kun Anwar.

### **Third Wave of Democracy**

First, in terms of the waves of democracy, Huntington speaks of a third wave. The Philippines was certainly at the crest of the third wave. Not one of the first states, but certainly, it was a harbinger of the change that happened over the next few years. We had our People Power Revolution, transitioning from dictatorship to democracy in 1986. And it was the first country in Southeast Asia to move in the direction of democracy, and many other countries elsewhere in the world followed suit. Not as many in Southeast Asia: Thailand from 1992-93 until 1997 went through a process of democratization with a constitution, Indonesia in 1999, East Timor soon after.

But with respect to the rest of the region, there has been very little movement in terms of democratization, quite unlike the rest of the world. Many authors have said that since 1992, there are now more democracies than non-democracies globally—about 60% of the countries in the world today are democracies. But that is not the case in our region of Southeast Asia. So the challenge and the struggle for democratization continues in Southeast Asia.

That puts a focus on the importance of democracy succeeding in those countries in Southeast Asia where there has been a foothold, like the Philippines, like Thailand, like Indonesia. Unfortunately, as Catharin has highlighted, that does not seem to be the case today. In the Philippines, in Thailand, you have major issues and questions about democracy and democratization. So why this backlash or

these reversals? There are many reasons and causes of it and perhaps in the course of our Q&A we can discuss them more thoroughly.

### **Filipino Democratization**

Let me talk about the Philippines in particular. I think the problem is both systemic, in the sense that you have a country that has introduced democratic institutions but there continue to be major social and economic constraints. The current political crisis in the Philippines is traceable to the Asian financial crisis of ten years ago in 1997.

In the wake of the financial crisis, after the reforms introduced by Aquino for political democratization and the reforms introduced by Ramos for economic liberalization, the public was ready for and demanded social payback. The great majority of the poor wanted democracy to deliver in terms of its promises of prosperity, which is why they elected a populist president in 1998, clearly popular among the great majority of the Filipino people, and a good friend of Anwar. In fact, when he was President he spoke out about your arrest; as President that was quite unusual in the context of the ethic in ASEAN.

Yet, while he held promise, there were issues of governance. Scandals and corruption charges were raised and, essentially, the elite withdrew support for this President, which resulted in a second People Power Revolution. After our first People Power in 1986, we had a second People Power six years ago in 2001, which, in a sense, to my mind, created a constitutional crisis because the process of removing a sitting president, a popular president, would have been by way of impeachment. He was impeached by the

House but had not been tried fully and convicted by the Senate.

Instead, it was a truncated constitutional process that led to demonstrations in the streets and the withdrawal of support by the military. And when the military withdrew support—it was not a coup like what we saw in Thailand last year, but certainly it was an unusual event where you have all the generals of the police and the military meeting in separate rooms, deciding among themselves whether or not they will continue to support the president and making the decision to withdraw support which forced the President out. And the current President assumed office in January of 2001. This changed the equilibrium in our country, so to speak, and since then there has been a downslide in terms of the democratic institutions that the previous administrations have tried very hard to put in place.

### **Credibility of Elections**

That is the context that we find ourselves in today. We have major questions of legitimacy being lodged at the highest levels, questions about the credibility of elections. We have had three elections since the change of administration from Estrada to Arroyo: 2001, 2004, and 2007. The 2004 election was a presidential election, and we had a scenario that we had never experienced in our recent history. And what was that scenario? An incumbent president running for office. The stakes were very high; unfortunately, that election created an additional political crisis because of serious questions of fraud. The president herself had admitted to calling an election commissioner, and there are issues of cheating and intimidation on a widespread scale that marred the presidential elections.

## The Road Ahead

From that point on, we have had a constricting of the democratic space, largely on the basis of the politics of survival. We just had elections in the Philippines in May of this year and, again, the specter of cheating and intimidation in elections has come out. Kun Anwar has discussed this issue of free and fair elections. And let me state that in the Philippines, while we value our democracy, the bedrock of that democracy must be free and fair elections. Until there are reforms in the electoral process, there are reforms in our political party system, we will continue to face a crisis of governance in our country. The results of the elections show that the Filipino people value their freedoms and are prepared to stand up even against abuses and outrages to the democratic system.

The road ahead is difficult. There are key issues that need to be addressed. Ultimately, what has to be done is to arrive at a consensus for democracy in the Philippines, because that question is up in the air right now. I assert that it is important that we develop a consensus for democracy, both within the opposition forces and those who are still in the administration or in government. There must be an effort at returning to the fundamentals of democracy that have been lost along the way from 1998, 2001, and 2004.

A beginning of that consensus would be an acknowledgement on the part of the administration of the results of the recent elections in the Philippines, and an acknowledgement that it should, to the best of its ability, pursue a governance agenda to prepare for a new government in 2010. Under the current constitution, the president is barred from standing for election in 2010.

There are, of course, efforts on the part of those in power today to change the rules of the game midstream, and that may create more difficulties in the long term. But if there is some consensus that this administration is prepared to pave the way for a new democratically elected government in 2010, then perhaps the contending forces in Philippine society can move away from the brink and find a resolution to some of these issues.

Ultimately, interventions must occur aimed at strengthening civil society once more, protecting human rights in the Philippines—there have been major cases of extrajudicial killings that have remained unresolved—ensuring transparent parties and accountable government, strengthening the judiciary to ensure its independence, and guaranteeing free and fair elections in 2010. These are a few of the things that I think should be undertaken by all well-meaning and democratic groups in or out of government in the Philippines if we are to make democracy survive in that country. Hopefully, in that process we will be able to present a viable model to the region so that the Lee Kuan Yews and the Mahathirs of the world will not be able to say, “Democracy is bad for Southeast Asia.” Thank you very much.

**Dalpino:** If we were to try to understand the current political situation in Thailand in depth, we would have to ask the Sasakawa Peace Foundation to host us here at least once a week. Not a bad idea, but only because the bottom line seems to be migrating. Ajan Thitinan has the Herculean task of trying to give us some analysis of several situations, including, perhaps, something that might have echoed the Philippines’ People Power Revolution last year that was tried in Thailand but did not quite work out as planned. And also,

perhaps, to give us today's bottom line as he looks to the future. If you googled Ajan Thitinan, you will find out that in every newspaper or journal article on the political situation in Thailand in the last year and a half, he is quoted quite prominently. And I think that is not only a tribute to his abilities as a scholar and an analyst, but also what the Quakers call his ability to speak truth to power. So Ajan, please.

**Thitinan Pongsudhirak:** Thank you, Catharin. Good afternoon Excellencies, distinguished guests, ladies and gentlemen. Well, first I would like to thank the Sasakawa Peace Foundation, especially Mr. Iwatake, for inviting me here today; and I have come a long way to talk for 20 minutes. It is not enough time. What I would like to do in that short period of time is to try to sketch the contours of what has happened to Thai democracy. There are four parts to my talk. I think I will cover the fact Thai democracy has been derailed, and then I will try to tease out how that has happened and who derailed it, for what aims, and what we can expect thereafter. In the third part I will talk a bit about how Thai democracy has made a partial return; it is almost halfway back but is facing a daunting, bumpy road in the second half that may be prolonged. And finally I'll talk about how Thai democracy might be strengthened in the years ahead.

Between 1997 and 2007, ten years apart, I feel like Thailand has gone in a karmic cycle. Ten years ago, politics was vibrant—a lot of hope. We had a new constitution, but there was an economic crisis. A lot of people had hopes for the new constitution, which came after five years of reform, started by the May 1992 violence which was a consequence of disguised military rule, a military dictatorship that stemmed from the coup in

February 1991, and we have seen this vicious cycle time and again in Thailand.

### **The 1997 Constitution**

The 1997 constitution was supposed to put a stop to that. The lessons learned from the past, the money politics, the patronage system, would be wiped out, would be cleaned up by the 1997 constitution. It was a people's constitution; it was an arduous drafting process, seeking public opinion, public input. And even ratifying it was difficult. There had to be a campaign to do that in August and September of 1997.

In October 1997 we had this document, this charter, and unlike before, it promoted the transparency and accountability of the political system. It augmented the stability and effectiveness of government. It promoted bigger political parties and a more stable party system, gave more authority to the executive branch, made the Senate elected for the first time, elected a bicameral legislature for the first time, came up with this party list system whereby experts can enter Thai politics and become cabinet members without having to go through the money-go-round of electoral politics. Also, separation of powers: MPs cannot be ministers; checks and balances: we had a number of independent institutions, such as the constitutional Court, the National Counter-Corruption Commission, Elections Commission, and Anti-Money Laundering Office. This was an institutional configuration designed to promote accountability and to get rid of corruption.

Well, it worked for a while, the 1997 constitution. It managed to find assets and brought concealment cases against leading politicians like Sanan Kachornprasart in March 2000. In late 2000, we had the

Senate elections; the Elections Commission worked well. It effectively oversaw the inaugural batch of elected Senators. In late 2000, the constitution ran into a brick wall with the case of the asset concealment by Thaksin Shinawatra, a rising star and prospective Prime Minister. The National Counter-Corruption Commission found him guilty and indicted him 8 to 1 for concealing his assets by placing them under other people's names—his drivers, his gardener, and so on.

In January 2001 he was elected; he did not win outright. His Thai Rak Thai party, formed in 1998, won 248 out of 500 seats in the House. Then they went on to absorb small parties and Thai Rak Thai became a majority party, formed a government, and the corruption trial of Thaksin proceeded to the constitutional Court. And he was acquitted 8 to 7. After that, the constitution has just been going downhill, culminating, of course, with the coup and its abolition.

The constitution was supposed to usher Thailand into a promised land of clean politics and effective government—accountable, transparent. But we have wasted a decade; I think it has been a wasted decade. Ten years ago, there was a lot of optimism despite the fact that the economy was going down the drain. At least politics was going to revive everything, at least in the future, we can have a better Thailand to look forward to. Well, 2007, there is a political crisis; the economy is not doing well, but it is not in crisis. So the situation is the opposite, and I have to look back and say that we have really not done well in the past decade.

### **The Derailing of Thai Democracy**

Thai democracy, as you know, has been suspended by a coup. It has really been

disrupted and derailed. The question is: how has it come to this point? Who derailed Thai democracy? Well, there was a military coup. The military certainly—the junta calls itself the Council for National Security or CNS, it used to call itself the Council for Democratic Reform. So the CNS has abolished the constitution and appointed a government. There has been a disruption of democratic rule.

But before the coup, if you talk to a lot of people in Bangkok, they would say that Thaksin undermined Thai democracy long before the coup. They would rightly say that Thaksin was hounded by corruption allegations, that he hid his assets early on, and he abused power along the way. He became a monopolist like he was in business. He had a political monopoly in Thailand, pretty much having his way, all the way through 2001, 2002, 2003. I think the apex of his stature in terms of popularity was in late 2003 when we had the APEC summit. Thaksin was deemed as, potentially, the next Mahathir, leader of the region, and everything was going right for him; he could do no wrong.

In 2004, starting in January with the resurgence of southern separatist violence, we had the first crisis Thaksin could not overcome. In 2005, the Thai Rak Thai party won the February 2005 election in a landslide, capturing 377 seats out of 500 and 32 out of 37 in Bangkok. It is intriguing and a bit bizarre that just a few months after the February 2005 election, Thaksin began to face Bangkok-based protests. That protest movement was led by the Manager Media Group's Sondhi Limthongkul, a limited movement based in Bangkok, maybe 10 to 20,000. It was a thorn in his side but nothing that Thaksin had to be too concerned about. But during his rule he also made a lot of enemies. He

abused power, violated human rights, and there was a lot of underlying disenchantment and pent up disaffection against his rule in Bangkok. It came to the fore and found a voice in this anti-Thaksin protest movement that became known as the People's Alliance for Democracy (PAD). The movement swelled in November, December 2005, and then when Thaksin sold his conglomerate to Singapore's Temasek Holdings on January 23<sup>rd</sup>, 2006, the floodgates were opened.

### **Critical Mass and Coup**

A lot of anti-Thaksin sentiment poured out and the protest movement gathered critical mass. It just snowballed, causing this crisis, and Thaksin had to try to outmaneuver. Early last year, he was forced to call a snap election in February. We had the election on April 4<sup>th</sup>, and the election was boycotted by the opposition parties. It was a one-party election, which led to electoral fraud, because the Thai Rak Thai party then hired obscure minor parties to run in the election to circumvent the rule whereby if you are the only contesting candidate, you have to win 20% of eligible votes.

Then on April 25<sup>th</sup>, 2006, His Majesty the King came out and spoke to the judges, saying that we have a political mess in Thailand—it is the duty of the judiciary to resolve this crisis. The constitutional Court duly nullified the election and the election date was reset. Then we entered July, August, September, a very volatile, turbulent period with day-to-day crisis management by Thaksin. Before things could be resolved through an election, he was overthrown while on a trip abroad. This is all well known.

### **Reasons for the Coup and Thailand's Underbelly**

Since the overthrow, eight months later, we can kind of see now what the overthrow was all about. I think that early on there had been divergent explanations, different rationalizations of why the coup was necessary. Lots of people in Bangkok, including myself, my colleagues, pointed out that, "Look, you cannot just judge democracy by elections alone if there are no proper, effective, checks and balances; if the media is not independent and free, if the judiciary is politicized and captured by the executive branch, if the legislature is stacked with Thai Rak Thai MPs answerable to Thaksin. It was a monopoly on Thai politics and that monopoly was exploited for business gains by Thaksin; his paper wealth more than tripled while he was in office. And in the end, he sold Shin Corp for 73.3 billion baht, almost \$2 billion, more than three times the price he would have received in 2001.

So early on, people were justifying the coup as the only way to get rid of Thaksin. Now in hindsight, I think, eight months have taught us a lot—certainly, taught me a lot—about what this coup was all about and why Thaksin was overthrown. I think that Thaksin is a complex individual. He is a consummate politician, a unique, complex individual. On one hand, he did have conflicts of interest: the cronyism, the corruption, you name it. His siblings, in-laws, associates, classmates, they dominated the entire Thai political environment. In the army, in the police—Thaksin was formerly a police officer. His cronies in business got the lion's share of projects and so on. This was unmistakable.

But on the other hand, I think he also exposed Thailand's underbelly. I think

most people outside Thailand have the misperception that when you see Bangkok, you see Thailand. Most people, when they go to Thailand, go to Bangkok. Most people in Thailand are poor, and this is not unique to Thailand. I think a lot of developing countries have this sort of duality, this dichotomy. And Thaksin exposed this, and he exploited it. Most people are poor; he catered to the poor, the rural grass roots, the urban poor. He had this populist platform; populism has become a bad label, but on its merits it did address the needs and grievances long neglected by the powers-that-be, by the Thai state, by the people in Bangkok. And after eight months, now we can see fairly clearly that this was about Bangkok and the rest of Thailand.

### **The Holy Trinity**

Thaksin became a threat to the established order. Things get done in a certain way in Thailand. The coup has restored the primacy of the holy trinity of Thailand. The holy trinity of Thailand is the alliance between the bureaucracy, the military, and the monarchy. Thaksin, when he was in power, threatened this holy trinity. He politicized and divided the bureaucracy, promoted his own people, marginalized people who disagreed with him, promoted his classmates to the high command of the military—the army, the air force, especially the police.

And he became so popular that in four to five years, Thaksin became very powerful. It took His Majesty four to five decades to build constituencies all over Thailand through public works, hard work. Thaksin came in and had these pandering, populist policies for four years, and he got the votes; he won people's hearts and minds. They liked him. He won elections time and

again. He would win the election tomorrow if it was held.

So this is really the predicament, the Thai predicament now. The reassertion of this holy trinity, conservative alliance: bureaucracy, military, monarchy. What they are trying to do now is to is, well, Thaksin has been ostracized—he is out. The Thai Rak Thai party, his political vehicle, has been disbanded and Thaksin has been banned from politics for five years. And the leading politicians, the leaders of Thai Rak Thai also have been banned for five years because of this electoral fraud in 2006 that I mentioned earlier.

### **Will Thailand Return to the Pre-Thaksin Era?**

Where are things going to go from now on? The powers-that-be that have reasserted themselves are trying to move Thailand back to the pre-Thaksin era. They are trying to erase the Thaksin years if they can, and they might be able to. I think that it is a struggle. They are drafting a new constitution, and in my view, this constitution is very elitist. They wanted to have an appointed senate, but it will be partially appointed and partially elected in order to maintain the military's influence and the bureaucracy's influence. The draft constitution is very anti-politician, anti-political parties. And it has shifted a lot of authority and power to the judiciary and the monarchy. And the military has its own provisions for national development and a budget for modern weaponry.

The fundamental question now is whether Thailand today can be brought back to the pre-Thaksin era, and it may. They have gotten rid of Thaksin and Thai Rak Thai, and are now working towards accelerating the constitution-drafting process so that it

can be approved and go to a referendum. And then the election would be accelerated; instead of December, we may have an election in November or October. And then you would have the Thai democracy back.

I just have a bad feeling about how this is all going to end. I do not think that it is going to be very smooth on the remaining part of the road. Thailand today has changed a lot. It is difficult to recreate Thailand from the 1980s and the 1990s. Coalition governments, unwieldy factions, unruly factions. And, you know, if you go back and look at the Chatchai Choonhavan government in the late 1980s and the Chuan Leekpai government in the early to mid-1990s, that is what we might more or less end up with, post-Thaksin ban, post Thai Rak Thai dissolution.

Ten years of the 1997 constitution have taught the Thai people a lot. A lot of people miss the 1997 constitution and I think six years of Thaksin also have given a lot of people a foretaste of things to come: a glimpse of a better life, opportunities, hopes and dreams. Thaksin was very patronizing; he was paternalistic; he was manipulative. But nevertheless, the objectives of his populist policies did touch hearts and minds.

The question now is, all these Thai Rak Thai constituents, more than 14 million of them last April—and at the high point, 19 million in February 2005—can they go back to pre-Thaksin Thailand? Are they willing to go back? And maybe they will. The military is preventing people from joining protests in Bangkok and is trying to spread the word to pass the referendum, get the constitution back, a new constitution, have the election and then everything will be fine. That would be a best-case scenario conditioned on the military's willingness to

also go back to the barracks. The problem that we have now, if you look in the region, there has been a repoliticization of the military in Thailand, and ongoing politicization of the military in the Philippines, Pakistan, Bangladesh, Indonesia—deep politicization. But the military must go this far. I'm just afraid they are not going to leave. I mean, if they are genuine, they would not want to leave because they are fearful of their own personal safety and security. After the election, the politicians, Thaksin's people, might go after them. But if they are more sinister, they will think, "Well, we have come so far now, we should make sure things go right all the way." They have to somehow institutionalize their power into the political game.

So that's where we are. We have a clash of pre-Thaksin Thailand and post-Thaksin Thailand, and here we have similarities to other countries. In Malaysia, I think Mr. Anwar has written a cogent, penetrating article on Malaysia's future in a globalizing world. And I think that Thailand in 2007 is difficult to resist. I think that the new powers-that-be, it would behoove them to adapt, adjust, while they are strong. Otherwise, the forces that have been unleashed are so powerful that, you can suppress them for a while, you can, especially with the military in the background. But eventually they will come back, knocking on the door again. And this happens to all societies, and we evolve, we are just organisms that evolve, and changes do come from pressure outside and inside.

### **The Transformation of Thailand**

I see Thailand now in the midst of a transformation, and it might be a prolonged and protracted one, so we have to brace ourselves for a long crisis. And in the end,

the Thailand that we know from the last five decades, six decades—the Thailand that you have visited—that Thailand is coming to an end. It's not the end of Thailand, but Thailand as you know it is coming to an end. And a new Thailand will emerge in the next several years.

I think that that new Thailand will be a democratic Thailand. I think that much instability and volatility are in store, and this is a painful transformation. I hope that the establishment will see that it is in their best interest to usher in a smooth transition period, and that they will be willing to make some concessions, some reforms, some adjustments, and then we can have a smoother path. Otherwise, I think that we will have a rough road ahead.

During this transformation, I think that from the outside it will seem very confusing and chaotic and hard to understand. But I hope that people will take a nuanced view and not just say, "Well, Thailand, you need a constitution and you need an election. And then you will be a democracy again and we will talk to you." It is much more complicated than just constitutions and elections. It's about a transformation, a fundamental clash between two orders: the established order and a new order that Thaksin exposed but was not able to follow through on. But someone like him was bound to come along; someone like him will come along again. I will leave it on that note since my 20 minutes is up. And I hope to hear your questions. Part of the reason I have come here today is to hear the views and perceptions of people in Washington and how they see Thailand. Thank you very much.

**Dalpino:** Well, it is the mark of a good speech to raise more questions than are answered, and I think all three of our

speakers have. We have had two detailed and very gripping accounts of political conflict on some level in two countries, and from Anwar Ibrahim, a broad critique of the state of democracy in the world and the region, but also a broad critique of the lens through which the United States views democratic development. And perhaps we can put these two kinds of approaches together. Let's take some questions from the floor.

### **Crisis in Malaysian Democracy**

**Questioner:** We have been told about crisis of democracy in many places, but I would like to know Mr. Anwar's opinion as to the level of severity of the crisis in Malaysia's democracy.

**Anwar:** Thank you. Now, first, on democracy. We do not need to rethink the issue; when Malaysia—at that time Malaya—achieved independence in 1957, the declaration of independence by the first Prime Minister was a consensus, a social contract where all communities were very clear in the desire for a liberal, democratic, free Malaysia. There is no reason why we should kick the British out if we will be imposing feudal rule or dictatorial rule. And I think a similar sentiment was expressed by Sukarno and Hatta in Indonesia. In fact, if you look at many of their writings from prison, before independence and the struggle against the Dutch, the commitment to freedom and democracy was uncompromised. So that is why half a century after independence, when you hear voices questioning the wisdom of democracy and freedom, I think it is absurd. The imperative of an independence struggle has always been for freedom.

What is the status now? I think you have to look at the original constitution. In the 1957 constitution, the basic principles of freedom of conscience, freedom of religion, democratic rule, separation of powers, existed. The ruling clique has thereafter prostituted, in a more polite term, destroyed, the institutions of governance. So I don't think I need to elaborate on this status. Now, yes, there is a new Prime Minister, relatively softer than Mahathir. He is getting married tomorrow so I do not want to say nasty things about him, but clearly, the system is entrenched.

Personalities change. There is no change when it comes to the position of the judiciary, media, and messy corruption. In fact, corruption has gotten worse because once the institutions crumble in terms of legitimacy, in terms of an independent judiciary—which is an effective mechanism or instrument to combat corruption—then the system actually crumbles.

Yes, we are better. I mean, how do you then assess Malaysia's success? Compared to Somalia, we are far ahead. Zimbabwe, nothing compares to Zimbabwe. And in fact, we are ahead of many developing countries. But in the late '70s and early '80s, we used to compare Malaysia with neighbors and regional countries like Singapore, Taiwan, and South Korea. If you look at 2007, we are now left far behind by these countries. Some countries in terms of democratic process and change, and others in terms of economic achievements.

In terms of foreign direct investment, look at the latest figures. Not that we lost out to India and China; that is understandable. We have lost out to Vietnam. We have lost out even to Indonesia. If you understand the Malaysian psyche, it is very difficult for

us to lose, to accept the loss to Indonesia. We can accept the loss to Singapore, but not to Indonesia. But these are worrying signals.

Now, that is why we have to embark on this new reform agenda. I'm not promising something new. It is what was promised to us. I mean, again, elections, the whole mechanics of governance, of democratic governance, they are important.

Secondly, on the issue of economic status. We are losing our competitiveness in the globalized world. I'm not suggesting that globalization has no flaws, but we are losing. For Malaysia to speak like a country struggling for economic success is not relevant anymore. Our success from the late '70s on is purely driven by foreign direct investment. Once we fail to receive that, then you see the figures, all the statistics and data causing concern and consternation to us.

So I have called for the dismantling of the new economic policy, a policy of affirmative action based on race. This was a policy introduced in 1971. It had its merits. I'll be frank and honest about it, I did wholeheartedly support that policy, but 35 years after that was introduced, we must be prepared to undertake reforms. We are not going to marginalize groups, but if you want to talk purely on the issue of poverty eradication, why must we talk only about poverty eradication among the Malays, who happen to constitute the majority? Why can it not also handle and tackle the plight of the poor Indian and Chinese squatters in the cities and new villages? A policy must be transparent, but more serious is the fact that the policy has been abused because leaders, the ruling clique, have used this affirmative action policy to enrich themselves, their families, and their cronies by the billions.

You do not have, for example, leading ministers or personalities or party leaders who are worth less than a few hundred million dollars. This is due to government contracts worth billions being awarded to family members, friends, and cronies. And this is, of course, the reason why the country must change and undertake reform.

I would like to end with small notes on recent developments. There has been disturbing news about some of the big names led by the former minister of transport about obvious cheating and manipulation of accounts. We have statements by auditors stating that there was clear manipulation. What happened? Suspended for a day and then resumed. No action taken. This is a dangerous signal to investors' confidence.

Then, of course, you know about the ongoing trial for the murder of the Mongolian model and the failure of the police, the attorney general, and the judiciary to handle this professionally. The person alleged to have killed this model happens to be a close associate of the Deputy Prime Minister. He also was awarded a contract of a few billion dollars for the purchase of two submarines from France with a commission of \$150 million. No investigations, no questions about it. I mean these are worrying signs for our country, Malaysia. We are not talking about Zimbabwe, mind you. I'm talking about Malaysia.

**Dalpino:** One of the interesting threads that has come out of all three of the discussions on these countries is the possibility or, at least, at issue is radical surgery on long-standing frameworks to meet crises of governments. Any questions?

**Questioner:** This is a question for Dr. Thitinan. To what extent did His Majesty King Bhumibol, whom I admire and respect very much, have the decisive vote in the removal of Prime Minister Thaksin? To what extent is the popular mass, which adored Thaksin, seeing His Majesty as at least partially responsible for the removal of their hero? And to what extent, please, do you think that the new Thailand, which you described, will maintain the respect for and primacy of the royal house, especially considering the fact that His Majesty is aging and we must expect a succession in the relatively near future?

**Dalpino:** Why don't we take a second question and then we will answer both.

**Questioner:** For Dr. Thitinan, you talked briefly about the referendum on the draft constitution. I'd like to know your thoughts, do you think that the draft constitution will pass? If it doesn't, it's my understanding that the CNS can pass a prior constitution—it has a choice of 17 or 18 to choose from—and amend it. How do you think that might affect the process?

And for Mr. Anwar, you made a comment at the end of your talk about Burma; you said ASEAN has failed to take effective measures on Burma. I was wondering what you think those effective measures would be that they might be able to take. Thank you.

**Dalpino:** Okay, let's take the Thailand questions first. Ajan Thitinan?

### **Thailand's National Dilemma**

**Thitinan:** Maybe you can see me afterwards. I can't say openly. Look, part of the problem we have is that some subjects are legally off limits. And I think

that when that is the case, there's not an open debate and it can be detrimental to our society. Because in order to prepare for the future you need to talk about the present. But there are some limits to that.

I can address the question that you raised about the rural electorate, the masses. You know, they have a divided loyalty without knowing it. I think that people in Thailand, invariably, just about invariably, love the King. There's no question. Because I think that he's been a good King, proven by hard work. As far as kings go, monarchs go, he could have a much easier life. I think we see that in history and in many other countries.

At the same time, people do like Thaksin. They really do like Thaksin. Not so much the people in Bangkok, but certainly people in many parts of the country. Let's say a majority of the electorate. Even in this last year we saw the results.

So this loving the King, liking Thaksin, and not knowing the difference is really Thailand's national dilemma.

### **Constitutional Referendum**

The referendum, there may not be a referendum. They would like to have a referendum, a quick referendum. To restore democratic rule you need a constitution. Since they abolished the constitution, they had to draft a new one, but the draft is problematic. There is a mounting coalition against the constitution, people of all stripes. A coalition of academics, urban intellectuals, as well as pro and anti-Thaksin people are not going to go for the constitution. They will have to make substantial amendments. But if they do too many amendments, they will be criticized for having a poor first draft. In the case that

there is a referendum, I just don't think that it will pass. (Editor's note: In the event, the constitutional referendum passed 58 percent to 42 percent, with the majority of the northeast and near majority in the north rejecting the draft.) I think the military is doing everything it can now through its tentacles, the ISOC and all the military instruments that they can use all over the country to try to mobilize people to like the draft and to go to the referendum and pass the draft constitution, but I think opposition is growing against the draft constitution.

If the draft looks like it will not pass, there may not be a referendum. For the military, the outcome is the same. A fair referendum, they have to pick a past constitution. No referendum, they have to pick a past constitution and promulgate it within thirty days. So if the referendum is going to fail, why have that slap in the face when the outcome is the same? And that may well be the path ahead. And they'll be tempted to bring back a constitution that they like, which would be something like the 1978 constitution, an appointed senate. But then they will be under pressure to bring back the 1997 constitution. So this is why it's problematic. If they pick a constitution from the past, there will be public opposition to it. If they can drag it and muddle through to the election, there will be a big question about legitimacy. Because a lot of the Thai Rak Thai constituents now are in limbo. No party to work for, no platform that the other parties can offer. So they will be disenfranchised, and unless they are reintegrated, the election will face legitimacy questions.

### **Media Control**

**Anwar:** Thitinan made a very perceptive observation on Thailand, but let me comment on this view that Thaksin is

enormously popular; so was Saddam Hussein, so was Hitler, so was Mao Zedong. So in the absence of a public, open discourse, there is no certainty that the assessment can be considered objective and fair.

When Mahathir was in power, nobody could imagine that his popularity would just drop to 10-15% barely six months after he left office, because the media control was so pervasive and absolute.

So, to my mind, a credible regime with responsible governance and policies is what is lacking. Thais are far more mature than many of their compatriots in neighboring countries, because the Thais have a tradition of continuous civil strife to demand reform. So that is my observation. I'm more of an optimist than Thitinan. But the problem is real and, of course, the other point is that Thaksin is hated in the south of Thailand. He is only really popular in the North.

### **ASEAN and Burma**

Now, on Burma, constructive engagement. There is no simple solution. You either take a very drastic policy or you take a soft approach. My point is, for the last more than three decades, ASEAN's policy vis-à-vis Burma has been a recipe for disaster. It took the European Union—with the backing of the United States—to compel ASEAN to at least use some courage to try and engage effectively with the Burmese.

Why must we wait to be prompted by the Europeans to talk about basic human rights issues? Why do we choose to condemn Aung San Suu Kyi to be treated in this manner for the last decade? I take a really strong position here because we are talking about people's lives. I'm not suggesting

that the Thais, Malaysians, and everyone all go to war with Burma, but at least take a position. This is part of the idea of ASEAN in the first place Yes, zone of peace. Yes, neutrality, non-interference. But the charter, the original ASEAN charter had that broad vision; it is far superior to the discourse and discussions on the ASEAN charter that is being reviewed now. It is shameful that after decades we continue to relegate this to the background.

Now what is required at least for the countries in ASEAN is to take a strong position that we cannot allow a military regime, any sort of dictatorship, to treat their citizens and their people as slaves. On the Burmese assumption of the chairmanship of ASEAN, if not for the EU's insistence, you can imagine the military junta leading ASEAN in discussions. The ASEAN countries were not prepared, partly motivated by narrow selfish interests, because family members and cronies in Thailand, Malaysia, Singapore are all involved in getting too many contracts and perks from Burma. Mind you, you can have your business, I have no problem with that. I'm a firm believer in a market economy, but not at the expense of people's lives; not at the expense of hundreds and thousands of people treated as slaves. That is my point.

So what is the solution? Countries, parliaments, civil society, foreign ministries, all must take a strong position, "You want to come and attend our meetings? Some basic rules must be agreed upon. No, we are not going to interfere. We are not going to say that you have to establish every single law like the European Union. But at least, you cannot condone this whole idea of detention without trial, of abusing the rights of your own people." I mean, that is my humble submission.

**Dalpino:** I'm tempted to end on that ringing note, but we have time for one more brief question.

### **Mindanao**

**Questioner:** This is a question to our colleague from the Philippines. Given the decline of constitutional law and democratic practices, what future do you see for any kind of settlement of the tensions in Mindanao, which have been boiling for a long time and are only getting worse? There have been efforts by international NGOs to try to intervene, but where does the future lie, given the complexities of the neighborhood and given the energies of folks who do not mean well for the Philippines' democratic society? How can this be resolved?

**Gascon:** Thank you for that question. The Philippine Facilitation Project at the U.S. Institute of Peace has been doing quite a lot of spadework over the last four years, trying to move the peace process forward in the south of the Philippines.

I just want to highlight the fact that the Philippines is a conflict-ridden area. It is not just a conflict with the Moro minority; there is also a long-standing communist insurgency in the Philippines. It is the longest standing, in fact, in Southeast Asia—since 1968. And there is no resolution there.

Ultimately, I still am optimistic about the prospects for peace, particularly in Mindanao. A peace settlement was arrived at with the MNLF, one component of the Moro minority, largely with the help of the Indonesian and Malaysian governments. And currently, Malaysia is still very much involved in the negotiations with the MILF. So there are a lot of international efforts

and local efforts that are working toward a resolution of that conflict. There are critical issues, particularly with respect to territory and ancestral domains.

These critical issues will have to be ultimately resolved within a legal framework. There are constraints to the current constitutional system, which is why, possibly, as part of a bigger solution, as Catharin mentioned, radical surgery of long-standing frameworks may be necessary. We need to address the issue of constitutional reform and, certainly, some form of autonomy for the Muslim-dominated areas in the Philippines should form part of that kind of constitutional reform.

But we cannot have constitutional reform when there is a possibility that it could be hijacked by the political elites for the purpose of staying in power. The last time we had constitutional change under similar circumstances: Marcos, who was supposed to step down in 1973, orchestrated a constitutional reform that kept him in power for another 14 years.

So any issues of constitutional reform should be discussed, debated, and articulated, but ultimately we need to also resolve the larger issues of the Philippines' government and governance. Those that Kun Anwar and Thitinan mentioned about Thailand, Malaysia, and the region apply to the Philippines, as well.

One final point, though, and it relates to the elections just held last May, is that the allegations of fraud, intimidation, and violence, unfortunately, are also coming from these same areas. The same region where we are talking about autonomy, the same region that we are talking about peace, is also the same region where you

have an entrenched warlord system that is perpetuated by the government. And we need to resolve that as well because if you want to give real autonomy, we need to empower the people. And if you give autonomy but what happens is the political warlords strengthen their position, then it will be worse for the people of Mindanao.

**Dalpino:** Well, I think our three speakers have done an amazing job of covering some of the complexities and political situations in these countries at this time. Please join me in thanking them and also thanking the Sasakawa Peace Foundation USA.