

# East Asia in Transition

## LESSON 2: Politics in East Asia

East Asia's political systems are as varied as the region's history and cultures, ranging from Japan's unique democracy to Myanmar's harsh authoritarian regime. Despite this variety, some analysts have argued that there is a unique East Asian political culture centered around such values as consensus, order, and stability. This update explores the political culture issue. It then turns to three important cases—Japan, Indonesia, and Malaysia—and concludes with a look at the unique characteristics of East Asia's divided states: Korea, China, and Vietnam.

### EAST ASIA'S POLITICAL CULTURE: IS IT DIFFERENT?

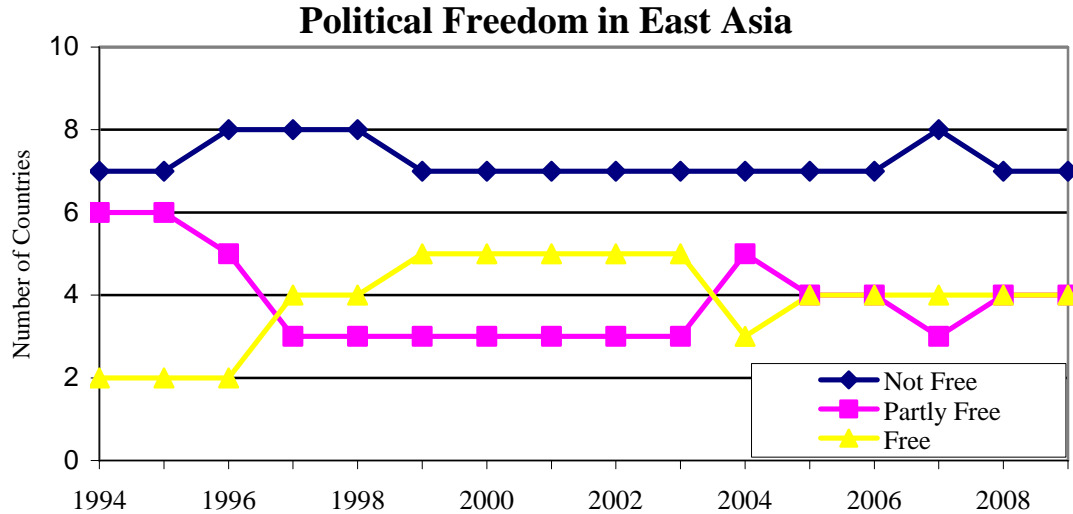
Proponents of the view that East Asia has a unique political culture argue that the region's societies often emphasize similar values. These values include respect for authority, strong families, hard work, prudence, respect for learning, teamwork, and consensus. Advocates of this "Asian values" view argue that East Asians generally desire consensus, order, and stability in society and politics.

The Asian values perspective holds that East Asia's unique political culture explains the prevalence of strong governments in the region. Proponents also believe that it explains the region's strong economic growth over the last several decades. They maintain that the desire for consensus, order, and stability has led to powerful governments that promote economic growth. Even when East Asian states adopt democracy, proponents argue, it is different from the democracy found in North America or Europe. In fact, some East Asians see an "inherent gridlock" in Western-style democracy. They also see a decay of core values and institutions in Western societies. Singapore's former prime minister, Lee Kuan Yew, has argued that democracy in its Western forms "leads to undisciplined and disorderly conditions which are inimical to development."<sup>1</sup>

Opponents of this theory, on the other hand, see supporters of the Asian values perspective as self-serving defenders of authoritarian regimes. They question whether Asian values have sparked the economic growth of recent decades, pointing out that East Asia's cultural traditions existed long before the economic upturn. Finally, they argue that East Asian societies are not as similar as proponents of the Asian values view believe.

This debate raises many important questions. As the world becomes ever more interconnected, can East Asian national leaders protect traditional values and existing political structures? Will East Asian states inevitably move toward more Western styles of democracy? As this debate has taken place, some East Asian countries have strengthened democracy and the rule of law, while others have maintained strong authoritarian governments (see Chart 1 on page 2).

Chart 1



Source: "Freedom in the World Country Ratings," Freedom House, 2009.

## CASE STUDIES OF POLITICAL CHANGE IN EAST ASIA

### Japan

Japan is the oldest democracy in East Asia. After World War II, the United States installed the country's democratic constitution. This constitution remained in place even after Japan regained its sovereignty in 1952. Still, despite the United State's influence, Japan's democracy is considerably different from democracy in the United States. For example, from the mid-1950s until 1993, one party, the Liberal Democratic Party (LDP), ruled the country. Often LDP leaders worked closely with banking and industrial leaders. Together, these elites set the political and economic directions for the country. Japan saw significant economic growth from the 1950s through the 1980s. Critics of Japan's political system, however, argue that Japan was a democracy only on paper. In reality, its politics were driven by elite consensus, money, and a voting system that kept power in elite hands.

In the early 1990s, the LDP faced a number of scandals and lost power. In 1993, the country swore in its first non-LDP prime minister in thirty-eight years. However, by 1996, the Liberal Democrats were back in power, leading a coalition government. Since then, a number of LDP-led governments have held power.

In 2001, the LDP chose Junichiro Koizumi as prime minister. Koizumi followed a reform-minded path, working to break up the country's elite-driven economics and politics. However, he also took a number of controversial steps, such as visiting the Yasukuni Shrine, a war memorial that enshrines soldiers of Japan's previous wars, including convicted war criminals from World War II.

Koizumi left office in 2006, and over the next two years three different LDP leaders held the office of prime minister—Shinzo Abe, Yasuo Fukuda, and Taro Aso—indicating the political turmoil within the party.

In August 2009, the Democratic Party of Japan (DPJ) won the House of Representatives, ensuring DPJ leader Yukio Hatoyama would be the next Prime Minister. He was formally named to the post on September 16, 2009. Except for an 11-month period in 1993, the LDP had ruled Japan continuously since 1955.

## Indonesia

In Indonesia, the repressive and corrupt Suharto regime lasted thirty-two years, from 1966 to 1998. However, in 1997, a severe economic crisis in East Asia hit Indonesia especially hard. Investors pulled large sums of money out of the country. This withdrawal helped lead to a nearly 85 percent drop in value of the Indonesian currency.<sup>2</sup> The government initiated belt-tightening measures in an effort to stabilize the situation. These measures led to sharply higher prices in key areas such as food and fuel. Higher prices led Indonesians, who had long-standing frustrations with the Suharto regime, to burst into open rebellion.

By early 1998, demonstrations and riots shook Jakarta and other cities. As the situation degenerated, there was significant violence. Much of the violence was aimed at Indonesians of Chinese descent because they often held prominent economic positions. Military personnel sometimes condoned the violence. Finally, on May 21, 1998, Suharto stepped down. His longtime protégé, B. J. Habibie, took power. Indonesia started a transition toward democracy.

In April 1999, Habibie agreed to let East Timor, then an Indonesian province, hold a referendum on independence. Later that year, the East Timorese voted overwhelmingly to separate from Indonesia. However, pro-Indonesia militias, angry over the result, initiated a bloody campaign of murder and intimidation. Australia and the United Nations eventually sent in peacekeeping forces to calm the situation. In 2002, East Timor formally gained its independence.

In October 1999, Indonesia witnessed its first democratic transfer of power in over four decades. Abdurrahman Wahid, a nearly blind Muslim cleric, was elected president by the country's new parliament. However, in 2001, the country's national assembly impeached the often-erratic Wahid on corruption and incompetence charges. The assembly then appointed Megawati Sukarnoputri, the daughter of Indonesia's founding father, as the country's first female president.

The Megawati government initiated some political reforms. For example, during Suharto's time in office, a significant number of seats were reserved for the military in the country's legislature. Megawati's government was able to eliminate these reserved seats. Another reform provided for the direct election of the president. Despite these reforms, the Megawati government faced sharp criticism for its inability to solve some of Indonesia's most complex problems. These problems included widespread poverty, violent religious and ethnic conflicts, intense corruption, and a weak judiciary.

In 2004, Susilo Bambang Yudhoyono was elected in Indonesia's first direct presidential election. Yudhoyono has delivered some political and economic reforms. He has taken steps to tackle corruption, bring peace to the troubled province of Aceh, liberalize the economy, and alleviate poverty. His government has also had to deal with the devastating impact of several natural

disasters, including a 2004 tsunami that killed over 130,000 Indonesians, the eruption of two volcanoes in 2006, and a second tsunami in 2006 that killed hundreds.

In July 2009, Yudhoyono won his reelection campaign for another five-year term. He has pledged to further the policies initiated in his first term to fight corruption and reform the country's judicial system.

## Malaysia

In Malaysia, Prime Minister Mohamed Mahathir was in power between 1981 and 2003. He was a leading advocate of the "Asian values" view and managed to weather the political turbulence that developed after the 1997 East Asian economic crisis.

In 1998, a reform movement led by Deputy Prime Minister Anwar Ibrahim emerged. This movement called for an end to the "corruption and nepotism" of Mahathir's government. In response, Mahathir fired Anwar over a policy dispute and arrested him on trumped-up charges of sodomy and corruption. This led to louder calls for reform, sporadic protests, and trials that held the attention of the country. In response, some voters turned toward the opposition parties, including the All-Malaysia Islamic Party (PAS).

In the 1999 elections, Malaysians voted to keep Mahathir's government in power. However, the gains made by the PAS and other parties showed that Mahathir's grip was loosening. The PAS likened Mahathir to a repressive "pharaoh." It proposed to clean up the government with "Islamic democracy." Though many Malaysians supported a government cleanup, they also rejected PAS' insistence on a strict Islamic state. In response, Mahathir and his party started to use their own rhetoric about clean government.

In June 2002, the 76-year-old Mahathir shocked the country by announcing his intention to step down in late 2003. However, there was little doubt that his influence would remain for some time to come. Mahathir handpicked his successor, Deputy Prime Minister Abdullah Ahmad Badawi. He also determined the makeup of the new Cabinet.

In 2004, Abdullah Badawi showed his own strength when his ruling United Malays National Organization party (UMNO) won a sweeping electoral victory. The PAS lost several of the state-level and parliamentary posts it had previously held. However, these losses were mainly due to redistricting by the government. The PAS won roughly the same percentage of the popular vote as it had in 1999. Also in 2004, the Malaysian high court overturned Anwar Ibrahim's conviction and released him from prison. While Abdullah Badawi showed some interest in political reform, corruption remained a significant problem in the country.

In April 2009, Abdullah Badawi resigned his post and was succeeded by Najib Tun Razak. Though committed to furthering government transparency, Razak entered office on a stream of scandals, including an alleged connection to a high-profile murder case that remains unsolved.

## EAST ASIA'S DIVIDED STATES

In the decade after World War II, three East Asian states—Korea, China, and Vietnam—were divided by a combination of domestic conflict and international politics. All three had one part of their country ruled by a communist government and another part of their country ruled by a pro-U.S. government. Today, two of these states remain divided.

### The Korean Question

(insert on page 51 before “The Two Governments of China”)

**A Korean Reconciliation?** On June 13, 2000, Kim Jong Il of North Korea and Kim Dae Jung of South Korea held the first summit between North and South Korean leaders. At the meeting, the leaders agreed to work together to end a half-century of hostilities, unite separated families, and meet again in the future. When he returned to the South, Kim Dae Jung boldly stated that “the danger of war on the Korean Peninsula has disappeared.”<sup>3</sup> Kim Dae Jung called his policy of engagement the “sunshine policy.”

After the summit, the countries did engage in some goodwill steps: some families were allowed reunion visits; a greater number of South Korean tourists and aid organizations started to visit North Korea; some transportation networks were reconnected; and some southern companies began to build facilities in the north.

In 2000, Roh Moo Hyun was elected president of South Korea. He has continued the sunshine policy of his predecessor. However, many South Koreans have become skeptical that the North can be trusted in negotiations. The North has failed to live up to several previous agreements. Of particular concern are broken agreements with the international community concerning North Korea’s nuclear program. Indeed, in October 2006, North Korea joined the group of countries with nuclear weapons after it successfully conducted a nuclear test, which it described as a “historic event” and “a great leap forward.”<sup>4</sup> In addition to this issue, the extreme poverty in North Korea presents a serious challenge to reconciliation efforts.

In January 2002, U.S. President George W. Bush designated North Korea as part of an “axis of evil” with Iraq and Iran. Later that year, the Bush administration stopped all bilateral engagement with North Korea. Subsequent multilateral efforts to negotiate a lasting agreement on North Korea’s nuclear program have made little headway.

In June 2004, the United States shocked South Koreans and many international observers when it announced that it would withdraw 12,500 of its 37,500 troops from South Korea by 2008. The United States argues that the move is logical given current U.S. technological capabilities. Many South Koreans are concerned about the timing of the cuts and the message they may send to North Korea. By June 2008, total active duty military strength in Korea was reduced to approximately 25,000 troops.

### The Two Governments of China

(insert on page 52 before “Vietnam Reunited”)

**Hong Kong and Macau.** At midnight on June 30, 1997, the British returned Hong Kong to Chinese sovereignty. The territory is now a “Special Administrative Region” in China. Hong

Kongers have tried to keep the area's democratic, capitalist character under a "one country, two systems" arrangement. Indeed, the Chinese government promised Hong Kong relative autonomy. However, the people of Hong Kong have grown increasingly restless over the slow pace with which the Chinese are allowing political reform. They have often showed their displeasure through huge street demonstrations.

On December 20, 1999, the tiny island enclave of Macau reverted back to Chinese control, after being ruled by the Portuguese for 442 years. Like Hong Kong, Macau has been left with a good deal of autonomy under a "Basic Law." Democracy activists on Macau, however, are less forceful than those in Hong Kong. Organized crime is the biggest problem in the territory. Since the handover, Macau has experienced rapid economic growth. This growth is attributed to the gambling and tourist industries.

**Taiwan.** The United Nations and most countries of the world, including the United States, recognize the Peoples Republic of China as the rightful government of China. Taiwan, on the other hand, has a unique status in international affairs. It has become a territory that has all the attributes of a state, but remains formally a province of China. In recent decades, Taiwan has developed a strong economy and a lively democracy.

In March 2000, Taiwan's Kuomintang party lost the presidency after decades in power. The newly elected president, Chen Shui-bian, was from the traditionally pro-independence Democratic Progressive Party (DPP). He faced immediate criticism from Beijing over his party's pro-independence stance. China's rapid military expansion and Taiwan's weapons purchases from the United States continued to fuel fears of a military confrontation.

In many ways, the 2004 presidential election became a debate about Taiwanese national identity. More islanders had begun to question their sympathy for eventual reunification with China. A 2004 survey revealed that 42 percent of Taiwanese felt "exclusively Taiwanese" and only 10 percent felt "exclusively Chinese."<sup>5</sup> As a result, President Chen and the DPP squeaked out a narrow victory. Still, many Taiwanese remain of different minds about their international position. Some Taiwanese support independence; a smaller minority support reunification with China; but many prefer the status quo. They neither flaunt their current autonomy, nor support a closer union with China. China remains firmly against Taiwanese independence.

In recent years, China and Taiwan have typically shown an interest in separating politics from economics. For example, soon after taking office, Chen's government formally allowed for direct trade, travel, and postal links between Taiwan and China. In 2002, China set aside its precondition that Taiwan first recognize the "one China" principle before economic ties could improve. As a result of such moves, interaction across the Taiwanese strait has boomed. By 2008, the Taiwanese had invested over \$100 billion on the mainland. China is now Taiwan's largest trading partner, and Taiwan is China's fifth-largest trading partner.<sup>6</sup> Many hope that strengthened economic ties will reduce the risk of military confrontation and lead to a peaceful settlement of the dispute.

In 2008, the election of KMT candidate Ma Ying-jeou moved Taiwan toward a more China-friendly stance. Under Ma, Taiwan's position is maintaining the status quo, at least for now, with

Ma stating that during his term there will be a “Three Nos Policy—No unification, no independence, no war.” Both sides now negotiate within the context that there is “one China,” though they continue to separately define this concept.

## Vietnam Reunited

(insert on page 53 before “Politics in East Asia”)

In the early 1990s, Vietnam started to reform its economy, allowing for more free-market activity. Foreign investment started to flow into the country. However, while poverty levels have been cut in half, almost 16 percent of Vietnamese continue to live in poverty.<sup>7</sup> Corruption remains a significant problem.

In contrast to Vietnam’s relations with other countries, its relations with the United States improved at a slower pace. This slowness resulted primarily from the unresolved issue of accounting for the roughly 2,000 Americans still listed as “missing in action” (MIA) from the Vietnam War.<sup>8</sup> However, in 1994, the Clinton administration lifted the U.S. economic embargo. The administration’s action was influenced by progress on the MIA issue and pressure from U.S. businesses that were barred from operating in Vietnam. In 1995, the United States reestablished formal diplomatic relations with Vietnam. And in 2000, Clinton became the first U.S. president to visit Vietnam since the end of the war.

Today, there is significant trade and investment between the United States and Vietnam. In 2000, they signed a Bilateral Trade Agreement, and in 2006, the U.S. private sector committed \$444 million to Vietnam in foreign direct investment. Vietnam joined the World Trade Organization in 2007.

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<sup>1</sup> William Branigin, “As He Leaves For Asia, Troubled Clinton Echoes Bush,” *Washington Post*, November 12, 1994.

<sup>2</sup> International Monetary Fund, “Exchange Rate Archives by Month,” July 1997-June 1998, [http://www.imf.org/external/np/fin/rates/param\\_rms\\_mth.cfm](http://www.imf.org/external/np/fin/rates/param_rms_mth.cfm) (accessed October 31, 2006).

<sup>3</sup> Calvin Sims, “A Cease-Fire Takes Hold in Korean Propaganda War,” *New York Times*, June 17, 2000.

<sup>4</sup> “Text of North Korea’s Announcement,” *BBC News*, October 9, 2006.

<sup>5</sup> Andrew Perrin, “What Taiwan Wants,” *Time Asia*, March 8, 2004.

<sup>6</sup> Bureau of East Asian and Pacific Affairs, “Background Note: Taiwan,” (U.S. Department of State: October 2006), <http://www.state.gov/r/pa/ei/bgn/35855.htm> (accessed January 12, 2007).

<sup>7</sup> World Bank, “Vietnam Development Report 2004: Poverty,” (December 2003), <http://www.worldbank.org.vn/news/VDR04%20Poverty.pdf> (accessed January 12, 2007), p. i; and World Bank: East Asia and the Pacific, “Vietnam: Country Brief,” March 2006, <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/EASTASIAPACIFICEXT/VIETNAMEXTN/0,,contentMDK:20212080~pagePK:141137~piPK:141127~theSitePK:387565,00.html> (accessed January 12, 2007).

<sup>8</sup> Charles A. Henning, “POWs and MIAs: Status and Accounting Issues,” Congressional Issue Brief (Library of Congress, February 16, 2006), [http://digital.library.unt.edu/govdocs/crs//data/2006/upl-meta-crs-8456/IB92101\\_2006Feb16.pdf](http://digital.library.unt.edu/govdocs/crs//data/2006/upl-meta-crs-8456/IB92101_2006Feb16.pdf) (accessed January 12, 2007).