

Submission to parliamentary committee inquiry into matters related to supporting democracy in our region.

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Summary

Democracy in Southeast Asia is in decline. Authoritarianism is becoming entrenched in mainland Southeast Asia, while electoral democracies in maritime Southeast Asia are increasingly illiberal. Australia has limited ability to influence this trend. And while this democratic decline matters, its importance to Australia's strategic interests should not be overstated. Regime type is not directly correlated with strategic alignment, and except for the case of Myanmar, internal conflict in the region is declining, despite democratic backsliding. Accordingly, promoting democracy should not be a primary goal of Australian foreign policy in Southeast Asia. Australia must aim to engage with Southeast Asia as it is, rather than as it would like it to be. Nonetheless, Australia has policy options to reinforce and amplify positive trends where they exist. These include support for regional media organisations and think tanks, developing greater linkages between parliamentarians and civil society, and increasing governance-focused development assistance to the region.

The trend for democracy in Southeast Asia

Southeast Asia is a region of primary importance for Australia, defined in Australia's 2020 Defence Strategic Update as part of Australia's immediate region. With a population of more than 650 million and geographic importance as the fulcrum between the Indian and Pacific oceans, developments in Southeast Asia will have a direct bearing on Australia's own security.

The 11 countries of Southeast Asia vary greatly in their political systems. These include absolute monarchy (Brunei), Communist party rule (Vietnam, Laos), "managed democracy" (Singapore), and imperfect representative democracies (Indonesia, Malaysia, Philippines). Timor-Leste is the region's best representative democracy according to international rankings. Most analysts concur that the trend for democracy in Southeast Asia is not positive. Ruling elites in Thailand and Cambodia have eroded democratic norms and principles over the past decade, consolidating authoritarianism in mainland Southeast Asia. In Indonesia and the Philippines, electoral democracy has been maintained but the role of independent institutions and human rights protection have been undermined. Elsewhere, many authoritarian regimes, such as in Vietnam, have been remarkably durable. A coup in Myanmar overturned previous democratic gains and plunged the country into a protracted and violent crisis in which democratic freedoms have been brutally suppressed.

While the factors behind each country's trajectory are unique, some common themes are evident. Media freedom is declining across Southeast Asia. Ten out of 11 Southeast Asian countries were ranked in the bottom half of the World Press Freedom Index in 2022, with even democracies such as the Philippines performing poorly due to pressure and harassment of critical journalists by the former Duterte administration.¹ Online freedom in the region is at a low ebb, with Freedom House not rating any country as "free", with five rated "partly free" and three rated "not free". Vietnam is of particular concern, due to censorship, online data collection and data localisation requirements.² Across the region, the nature of civil society is also changing. ANU academic Hunter Marston has noted the emergence of so-called "uncivil society", referring to civil society groups that explicitly

¹ Reporters without Borders, "World Press Freedom Index 2022".

² Freedom House, "Freedom on the Net 2022".

agitate against democratic norms.³ This trend presents long-term challenges to the character of democracy in Southeast Asia.

Australia's ability to influence these adverse trends is extremely limited. As a region, Southeast Asia is economically dynamic and sought after by many partners, including the United States, China, Japan, Korea and India. Australia's own relative influence has declined over the past decades due to changing economic relativities and increasing geopolitical contestation. Most Southeast Asian countries are resistant to perceived external influence in their political systems, and protective of the regional norm of "non-interference" in each other's political systems. In many cases, deep sensitivities to outside influence stem from colonial era legacies and relatively recent independence resulting in national identities that are more contested and fragile than is the case in many established western democracies. This dynamic is an obstacle to a greater role for Australia or any other country in promoting democracy in this region.

Australia's strategic interest in promoting democracy in Southeast Asia

The impact of declining democracy on Australia's strategic interests in Southeast Asia should not be overstated. Globally, the link between democracy and economic growth, political stability and human development is clear; democratic governance is positively correlated with economic and social progress. Yet the COVID-19 pandemic in Southeast Asia challenged this narrative, with Vietnam and Singapore emerging as superior managers of public health and with greater responsiveness to public demands than many of the region's established democracies. At the same time, large but imperfect democracies such as the Philippines and Indonesia struggled to reconcile public health with economic imperatives during the pandemic. This reflects what academic Thomas Pepinsky has termed the "decoupling" of governance and democracy.⁴ Also of note, while Southeast Asia has experienced democratic decline over the past decade, internal conflicts across the region declined in number and intensity,⁵ contradicting the belief that a less democratic Southeast Asia will also be more unstable and conflict prone.

Moreover, in Southeast Asia regime type and strategic alignment with the United States, China or other powers, are not directly correlated. Vietnam is the most prominent example of this, as a Communist country that harbours greater concerns about the threat posed by neighbouring China than many other countries in Southeast Asia. Indonesia, while a democracy, does not necessarily align with western positions, and its response to Russia's invasion of Ukraine, for example, demonstrated strong anti-western sentiment in public opinion. The Philippines' recently elected president, Ferdinand "Bong Bong" Marcos Jr is a scion of the authoritarian Marcos dynasty but has chosen to align with the United States to a far greater extent than his predecessor Rodrigo Duterte.

There are of course examples where a lack of democratic accountability and transparency has led to developments in Southeast Asia that are contrary to Australia's interests. One example is the reported construction of a Chinese naval facility at Ream in Cambodia. Despite strong evidence provided by the United States and by satellite imagery that construction of a Chinese facility is occurring, Cambodian Prime Minister Hun Sen has continued to deny this development. Such baseless denials would be far less credible in a system with greater scrutiny and democratic

³ Hunter Marston, "Civil Society and Southeast Asia's Authoritarian Turn", Policy Briefing SEARBO2, Australian National University, June 2021.

⁴ Thomas Pepinsky, "Decoupling governance and democracy: The challenge of authoritarian development in Southeast Asia", Brookings Institution, July 2020.

⁵ Adam Burke, "The State of Conflict and Violence in Asia 2021: Identity-based conflict and extremism", *The Asia Foundation*, September 2021.

accountability. Likewise, democratic countries such as Malaysia and Indonesia have been able to secure more advantageous assistance from China on infrastructure than repressive Laos, where public scrutiny of costly infrastructure projects is almost non-existent.

Given that Australia has very limited influence and has generally been able to secure its interests in the region by working with the current mix of regime types, promoting democracy should not be the primary aim of Australia's foreign policy towards Southeast Asia. Australia must aim to engage with Southeast Asia as it is, rather than as it would like it to be. Nor should Australia emulate the Biden administration's approach of framing foreign policy in terms of a contest between democratic and authoritarian systems, as such an approach does not accurately reflect political dynamics in Australia's own region and would not be welcomed by regional countries.

Australian policy options

Nonetheless, scope exists for Australia to make a modest contribution to supporting democracy in Southeast Asia. Given Australia's limited influence, its focus should be on reinforcing or amplifying positive dynamics where space exists, rather than seeking to reverse negative trends. Important pathways available to Australia include:

- **Greater support for media organisations and journalists.** Local independent media reporting is an essential component of transparency yet across Southeast Asia it is facing pressure, including from more concentrated ownership, repressive defamation laws and harassment and intimidation of critical journalists. Australia's support for regional media is limited to a small series of ad hoc programs and internships for journalists, rather than a comprehensive approach that would acknowledge the primary importance of press freedom to democracy.
- **Supporting think tanks and evidence-based policy making.** In Cambodia, Australia has implemented an innovative program aimed at building the capacity of local think tanks to contribute to evidence-based policy making. Australia could expand such an initiative to other relevant Southeast Asian countries, including by twinning local think tanks with Australian counterparts and providing think tank analysts with opportunities for professional development in Australia.
- **Developing greater links between Australian and Southeast Asian parliamentarians.** Australia has no systematic or substantial system for supporting greater contact and engagement between Australian parliamentarians and their regional counterparts, with the majority of contact limited to ad hoc study tours or other engagements, for example through the International Parliamentary Union. More dedicated interaction between parliamentarians on issues of common concern, such as budget scrutiny or anti-corruption would be a valuable complement to Australia's diplomatic engagement with Southeast Asia.
- **More proactive support for civil society and opposition groups.** Australia has tended to take a cautious and reactive approach to engaging with civil society and opposition groups in Southeast Asia, in contrast to some European countries and the United States which are often more forward leaning in their engagement. While such interactions can pose risks to Australia's bilateral relationships with regional countries, on targeted issues, such as the campaign against the death penalty in the region, partnering more deeply with civil society, and providing regional civil society groups with dedicated funding could be an important pathway to influence.
- **Governance focused development assistance.** Governance accounts for the largest single sector of Official Development Assistance funding in the Australian aid budget, with

spending of more than \$1 billion.⁶ Yet in Southeast Asia, Lowy Institute research suggests that governance is becoming an increasingly important constraint on development because new economic pathways will only be possible if political reform occurs.⁷ This suggests that Australia should focus on expanding its governance assistance to Southeast Asia as a priority over coming years.

⁶ Department of Foreign Affairs and Trade, Australian Official Development Assistance Budget Summary October 2022-23.

⁷ Roland Rajah and Ben Bland, "Does Southeast Asia Need a New Development Model", *Lowy Institute Southeast Asia Debate*, 1 September 2022; Susannah Patton, "Debating Southeast Asia's Future", *The Interpreter*, 6 September 2022.