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The End of the Obama Era in Asia

Edited by
Michelguglielmo Torri
and Nicola Mocci

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Contents

This Asia Maior issue is dedicated to Asia Maiorano, who came to this world while the volume was in the process of being finalised thanks also to the active participation of her father.

Foreword: Asia Maior in 2016

Asia at the end of the Obama era: The rise of China, the Asian ruling classes' search for legitimation and power, the threat of radical Islam

The second and final four-year mandate of US President Barack Obama came to an end on Friday 20 January 2017, making of 2016, the year under review in this volume, the concluding one of what can be defined the Obama Era. The end of the Obama era was related not so much to the conclusion of the second and last Obama presidency as to the political personality and programme of his successor. The unexpected election of Donald Trump as the new US president, on 8 November 2016, brought to power a politician whose programme, although lacking in clarity and coherence, appeared to have as its polar star the objective of undoing most if not all of the major policies and reforms carried out by his predecessor. As far as Asia is concerned, Donald Trump's election had an immediate and major consequence, represented by the President-elect's announcement, on 21 November 2016, that he would withdraw from the Trans-Pacific Partnership (TPP) «from day one» of his presidency. By taking this decision, Donald Trump demolished one of the twin pillars on which the Obama administration's foreign policy in the Asia-Pacific region had been based (the other being the «pivot to Asia», namely the redeployment of much of the US military strength in the Asia-Pacific region). Trump's decision, by the way – notwithstanding Japan's Prime Minister Shinzō Abe warning that the TPP would be «meaningless» without US participation – did not mean either the end of the Trans Pacific Partnership or its reduction to irrelevance. On the contrary, Trump's decision meant, quite simply, that the US was giving up its role of leadership in what still remained potentially the most important free-trade pact of the 21st century. By so doing, the US President-elect opened the way to China joining and, eventually, playing a leadership role in the TPP.

Trump's decision to withdraw from an economic pact that had been so actively pursued by his predecessor and was so central to his policies highlighted a clear-cut and decisive hiatus in the US foreign policy and, in a way, epitomised the end of the Obama era in Asia. However, momentous as they were, and bound to decisively affect the next future of Asia, Trump's election and his decision to abandon the TPP came too late in the year 2016 to really play a decisive role in the political and economic evolution characterising that year in Asia Maior (namely that part of Asia that the Asia Maior think tank defines as delimited in the north by the Caucasus and the Siberian southern border, in the west by Turkey and the Arab countries and

in the south and the east by the Indian and Pacific Oceans respectively). Differently put, although 2016 was the concluding year of the Obama era, and although the closing of the Obama era was bound to impact on the future of Asia (as well as on the future of the remainder of the world), this event, crucial as it was, did not yet visibly impact on the political and economic processes under way – in Asia as elsewhere – during the year under review.

Others, therefore, were, during the solar year 2016, the developments characterizing the evolution of the Asian countries examined in this volume. As usual in a geopolitical and geo-economic area as complex and differentiated as Asia, even that limited part of Asia that is here defined Asia Maior, these developments varied in the different quadrants of the area under review. However, two main threads are discernible as significant for most Asia Maior countries, while a third one can be identified as significant in at least some key countries. The first thread is represented by China's assertive foreign policy and the varied reactions to it of most other Asian countries; the second thread is represented by changes in the political set up in the countries examined in the present Asia Maior issue, a change related to the search for the legitimation and the consolidation of power of their respective ruling classes; the third thread – relevant for Muslim majority countries such as Afghanistan, Pakistan, Bangladesh and Indonesia – is epitomised by the belligerent struggle of radical Islam against whomever is not sharing its regressive and authoritarian Weltanschauung. It is worth stressing that the first and second threads are strictly intertwined as – as argued below – China's aggressive foreign policy is itself expression of the search for legitimation and power of its ruling class.

To a large extent, in 2016 much of Asia Maior was influenced – directly or indirectly – by China's policies. The giant East Asian country was still experiencing – as it had been the case since 2011 – a pronounced slow-down in its economic growth. Although China's growth was still impressive, its deceleration determined a complex set of consequences for both its domestic and foreign policies. This was the natural enough result of the fact that, since the late 1970s, the legitimacy of the Chinese ruling class has no longer been based on the idea of heroism of the founding members of the revolutionary party but on the success of the party's economic policies. Accordingly, the economic slowdown characterizing the years since 2011 was bound to put this legitimacy in doubt. At the domestic level, this has brought about the rise of labour unrest which, in turn, has determined what Francesca Congiu and Alessandro Uras, in this volume, define as an «authoritarian regression […] ruled and formalised by law». In other words, a process became visible characterised by the shifting of political power from a collective leadership to one man, namely President Xi Jinping.

In the analysis of Congiu and Uras, this crisis of legitimacy has been the real engine behind China's aggressive behaviour in the South China Sea, as the Chinese leadership was trying to find a prop to its declining legitimacy in nationalism. However, it is worth stressing that, although widely perceived as aggressive, China's assertiveness in the South China Sea is far from being a threat to freedom of navigation, as claimed by the US and its allies. After all, it is freedom of navigation which makes possible for China both to carry out most of its trade, which is crucially important for its economic growth, and to supply itself with the energy needed for making its whole economic system work. Accordingly China's assertiveness in the South China Sea can also be read as the natural outcome of its legitimate preoccupation to keep its more proximate and more important sea connections with the remainder of the world open to trade and outside the reach of the navies of the US and its allies.

The Chinese ruling class' crisis of legitimacy may or may not be the engine of Chinese policy in the South China Sea. However, the economic slowdown that is at the basis of this crisis of legitimation is also the key motivation in explaining the gigantic Belt and Road Initiative (formerly called One Belt, One Road initiative), launched by Beijing in autumn 2013. Through this initiative, Beijing has been trying to find a productive employment for China's economic over-capacities, while, at the same time, protecting itself from the arc of containment that the Obama administration has been building around China. Accordingly Chinese capital and know-how have started to be employed in giving shape to an extremely ambitious and complex network of traditional and new infrastructures aimed at connecting China to the remainder of continental Asia plus Europe and Africa.

Of course, as in the case of Chinese policy in the South China Sea, the Belt and Road Initiative (BRI) has a political-military strategic side. If Chinese assertiveness in the South China Sea aims (also) at keeping open the sea lanes that are most vital to the Chinese economy, the BRI aims at opening new connections with the remainder of the Eurasian landmass, which are beyond the reach of US military might or, anyway, more difficult for it to control and, in case of need, to choke.

The BRI and Beijing's South China Sea policies, while strengthening China's connection with several, mainly continental, Asian countries, have, not unexpectedly, caused the adverse backlash of others, actively supported by the US. This, as shown by Giulio Pugliese in this and previous Asia Maior issues, has been the case with Japan. Also, as shown by Michelguglielmo Torri and Diego Maiorano, again in this and previous Asia Maior issues, this has been the case with India. Likewise, as shown by Michela Cerimele, this has been the case with Vietnam.

A more complex reaction to China's policies is that of Laos, analysed by Nicola Mocci: Laos maintained its strong economic connection with China, mainly built as a consequence of BRI; nevertheless, in the year under review,

and as a result the new political set up which came into being following the 10th congress of the Lao People's Revolutionary Party, the South-east Asian country marked its political distance from its giant northern neighbour.

In a class apart, but still representative of China's difficulties in relating to its neighbours, there is China's relationship with Taiwan, or, differently put, the relation of the People's Republic of China (PRC) with the Republic of China (ROC). As shown by Aurelio Insisa, after a promising phase of rapprochement between the two Chinas - based on the acceptance by both countries of the «1992 Consensus», which posits the existence of One China, including both the Mainland and Taiwan – this process came to an abrupt end. What caused this development was the election to the Taiwan presidency, on 16 January 2016, of Tsai Ing-wen and the conquest of the majority in the Taiwan Legislative Yuan (LY) by her Democratic Progressive Party (DPP). Tsai's refusal to accept the «1992 Consensus» led to a phase of renewed tension between the two Chinas, exemplified by Beijing's decision to suspend cross-strait contact.

On the other hand, as noted above, there were the cases of countries which were becoming increasingly tied to China, and, in addition, cases of countries which were hedging their bets by keeping open their connections with both China and its adversaries. Undoubtedly, in 2016, the most telling example of the former category was Pakistan, analysed by Marco Corsi. Here the construction of the China-Pakistan Economic Corridor (CPEC), namely a gigantic network of infrastructures tying the Chinese province of Xinjiang to the Indian Ocean port of Gwadar was under way. The project, originally valued at US$ 46 billion, in 2016 already reached the value to US$ 54 billion.

Examples of states which have hedged their bets by keeping open their connections with both China and other geopolitical main players in Asia are those of Sri Lanka, analysed by Fabio Leone, and of Kazakhstan, analysed by Adele Del Sordi. In a way representative of the same phenomenon is the case of Nepal, analysed by Michelguglielmo Torri and Diego Maiorano when discussing India's foreign policy. The imperatives of geography have consigned the Himalayan country to the chocking embrace of its giant South Asian neighbour. Still, as shown by Torri and Maiorano, Nepal and China are operating to maintain open their connections and, if possible, to enlarge then in the future.

A peculiar case in the relations between China and its neighbours is that of the Philippines. In 2013 the Philippines filed a case at the Permanent Court of Arbitration in The Hague against China's claim on most of the South China Sea. The ruling of the Permanent Court came on 12 July 2016, and was against China on nearly all counts. However, at that point in time, in the Malacañang palace in Manila, pro-US President Benigno Aquino III, under whose tenure his country had filed the case against China, had recently been substituted by anti-US President Rodrigo Duterte. This not only was enough to radically diminish the political fall-out of the Permanent

Court of Arbitration's verdict, but, as explained by Carmina Untalan, was the ironic premise to the Philippines' «pivot to China».

The name of Rodrigo Duterte can be considered an appropriate launching pad for exploring what, beside China's assertiveness and the other Asian nations' varied reactions to it, is the other main thread to follow to understand the political and economic evolution of Asia Maior in 2016. This second thread is represented by the evolving power balance inside the ruling classes of the Asian countries analysed in the present issue. This evolution appears to be characterised by two processes. The first is the consolidation of authoritarian or quasi-authoritarian one-man leaderships, sometimes inside political systems which are democratic or partly democratic, sometimes inside political systems which are openly non-democratic, usually based on one-party rule.

The second of the two processes characterising the evolving of the internal political balances in the Asia Maior countries is the maintenance of the grip on power by openly authoritarian ruling classes, guided by a Leopard-like willingness (the reference, of course, is to Giuseppe Tomasi di Lampedusa's famous novel) to change everything – or, if not everything, quite a lot – so that everything can stay the same. This latter attitude explains the authoritarian ruling classes' availability to opening partly democratic or quasi democratic spaces inside or beside the political systems which they control. In turn, this development begs a crucial question: are these mixed systems nothing more than the old authoritarian arrangements, now dressed up in new and more attractive «democratic» clothes? Or the newly-opened democratic spaces represent real, although constrained, spaces of freedom, and, at least in some cases, are possible stepping stones on the way to full-blown democracy?

Of course this is not the place where to answer this question. Our task, here, is simply and humbly that of pointing out the examples of the above listed two processes characterising the evolving political balance of the Asian ruling classes. But before doing that, it is worth stressing that it can be argued – as has authoritatively been done by Beverly Silver – that the just noted authoritarian processes are not due to chance but are the necessary outcome of the adoption of neoliberal policies. These policies do bring about a usually rapid growth of the GNP but, at the same time, cause steep increases in social disparities and the consequent necessity by the ruling classes to make use of the iron fist in implementing the new policies. This, in turn, naturally results in the emergence of strongmen and/or the tying of their grip on power by the ruling élites.

Once this has been said, and coming to the examples of authoritarian or quasi-authoritarian one-man leaderships in Asia Maior, Duterte's case, which has just been recalled above, is the most evident example, at least in

Asia, of an authoritarian leadership brought to power by popular vote. As noticed by Carmina Untalan, what makes this case puzzling is that it has happened in a country which, not so far ago, namely in 1986, put an end to a 20-year period of dictatorship through a successful non-violent and democratic revolution. As shown in Untalan's analysis, Duterte's ascent to power is the result of the long-term decline of the spirit of that People Power Revolution, or EDSA Revolution, which not only put an end to Marcos's authoritarian rule, but resurfaced again in 2001 with the EDSA II and EDSA III movements, related to the ousting of President Joseph «Erap» Estrada.

Another example of an authoritarian personality tying his grip on a democratic system is that of India's Prime Minister Narendra Modi, examined by Torri and Maiorano. In countrast to this, there is the case of Japan Prime Minister Shinzō Abe, examined by Pugliese. As shown by Pugliese in this and past issues of this journal, although Shinzō Abe is undoubtedly an authoritarian personality, his capability to strengthen his grip on the political system has precise and inflexible limitations in the democratic strength of this same system. In fact, in 2016, as shown by Pugliese, political calculation pushed Shinzō Abe to soften his more nationalistic positions, with the aim of paving the way to an extension of his already long mandate as Japanese Prime Minister.

On the other side of the political spectrum, namely inside openly non-democratic systems, the rise or consolidation of one-man leaderships is exemplified by the consolidation of personal power by both Chinese President Xi Jinping – analysed by Francesca Congiu and Alessandro Uras – and Supreme Leader of the Democratic People's Republic of Korea Kim Jong-un – analysed by Marco Milani. The latter case, of course, is a special one, as is in no way related to the implementation or strengthening of neoliberal economic policies.

Examples of authoritarian ruling elites' Leopard-like willingness to change what is needed to maintain their ultimate control of power are abundant. As argued by Adele Del Sordi, in Kazakhstan a political leadership that remains strongly authoritarian successfully adopted softer, less repressive and more sophisticated forms of control. As shown by Pietro Masina, in Thailand the military junta ruling the country after the coup of 2014 had a new constitution approved, which heralded the creation of a «semi-democratic» system. In it the ultimate power was to be firmly kept in the hands of the army and the royalist élites. A similar case can be considered that of Myanmar. Here, as shown by Matteo Fumagalli, a five-year transition from military to semi-civilian rule reached a turning point with the elections of 2015 and 2016, which marked a watershed in favour of the latter form of government. However, at the end of the day the transition to full democracy was less than complete and the proof given by the new government, de-facto headed by Aung San Suu Kyi, somewhat disappointing, even under the profile of democratisation. Yet the point can be made that, in Myanmar, the

space of democracy created inside or beside the still surviving authoritarian set-up could be a step towards full-blown democracy.

A somewhat different case, but still one which can be considered exemplary of the ability of the old authoritarian élites to maintain their grip on power, is that of Indonesia. Here, the new President, Joko « Jokowi» Widodo, has widely been perceived by the people at large as a representative of new democratic forces vis-à-vis the deep-seated authoritarian legacy embodied in Suharto's still powerful «New Order» political and social circles. However, as argued by Elena Valdameri in this and in the previous issue of this journal, the Indonesian president has continued to rely on public figures, especially military ones, still connected to the old and authoritarian «New Order» of the Suharto era.

Together with the above examples, a peculiar case can be made of a political system apparently stuck mid-way between democracy and authoritarianism, namely that of Iran. Here an openly authoritarian political set-up exists, headed by the Supreme Leader, Ali Khamenei – who, in turn, is the expression of the religious-military oligarchy which assumed power through the 1979 revolution. However, inside this authoritarian system, a democratic although constrained space does exist, headed by a president elected by universal adult suffrage every four years. In 2016, as shown by Luciano Zaccara, the incumbent president, Hassan Rouhani, strengthened his position thanks to the results of the legislative elections. These results endorsed both Rouhani's administration and the nuclear accord which, through laborious and long negotiations, the Iranian President had reached with the P5+1 group of nations. By itself this represented a strengthening of the constrained democratic dimension present inside a political system which, at the end of the day, remains authoritarian.

Once all the above has been pointed out, in Asia Maior there were at least two exceptions to the consolidation of power by one-man-leaderships or its maintenance by authoritarian ruling classes willing to apply Leopard-like strategies. One is represented by the ousting of South Korean President Park Geun-hye as the result of the mobilisation of civil society. As shown by Marco Milani, this was triggered by the reaction of the civil society to the South Korean President's improper connection with a close friend and confidant. The latter had made use of her influence on the President to offer favours to powerful economic conglomerates in return for large sums of money.

At least as important is the case of Sri Lanka, analysed by Fabio Leone. The new Lankan political phase had initiated in January 2015 with the electoral defeat of authoritarian President Mahinda Rajapaksa and the fall from power of Mahinda himself and his family clan, which, under the defeated president's leadership, had come to dominate the Lankan polity. In 2016, under the double leadership of President Maithripala Sirisena and his new Prime Minister, Ranil Wickremesinghe, the Lankan new political

phase found expression in a policy aimed at re-establishing the rule of law and implementing reconciliation measures aimed at healing the still open wounds of the long and bloody civil war of 1983-2009.

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A third thread worth to be followed to understand the evolution if not of most countries in Asia Maior, at least of some of them is represented by the violent struggle between radical Islamic forces and a number of Asian states. This is, of course, the case of Afghanistan, where the war is still going on and, as Diego Abenante argues, in 2016 the uneasy balance between the regular army and the Taliban insurgency showed the tendency to shift in favour of the insurgents. In Pakistan, as pointed out by Marco Corsi, in the past years military operations against radical Islamic insurrectionary or terrorist forces have effectively rolled them back, bringing large swathes of territory, previously under the sway of Muslim armed extremists, once again under the control of the state. This effort, however, has had a heavy cost in terms of resource reallocation, military expenditures, and the contraction of trade, business activities, and investments at large. Two other Asian countries which were put under pressure by radical Islam were Bangladesh and Indonesia. In particular, as shown by Marzia Casolari, Islamic violence in Bangladesh was so continuous and pervasive, to appear as a low-intensity civil war against not only Bangladeshi and foreign non-Muslims, but also against Bangladeshi moderate Muslims and secular citizens. In reacting to it, both the government and the state repressive apparatus showed uncertainty and weakness.

The situation in Indonesia, as shown by Elena Valdameri, although different, was hardly less alarming. Here the government reacted efficiently and without hesitation to violence on the part of Islamic radicalism. What was worrying, however, was the rising of Islamic intolerance in the Indonesian society at large and the successful attempt to use Islam as a tool to question political pluralism. This phenomenon was epitomised by the mass demonstrations and the judicial case against the Christian governor of Jakarta, Ahok, speciously accused of blasphemy by a political adversary. Equally alarming was the weakness shown by President Widodo in dealing with what was a clear and present danger to Indonesian ethno-religious pluralism and political democracy.

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Most commentators, at least in India, would portray the case of Kashmir as an example of the just discussed violent clash between radical Islamic forces and the state. However, as argued by Marco Valerio Corvino in the appendix to the article focussed on India, reality is considerably different. In spite of the fact that some Pakistan-based radical Islamic

terrorist groups have been active in the Kashmir Valley at least from the early 1990s, the problem of Kashmir has very little to do with religion and, far from being the result of the intervention of radical Islamic forces coming from outside India (as claimed by both the Indian State and most Indian commentators), has causes related to the recent political history of Kashmir. In fact, Kashmiri Islam is historically alien from those fundamentalist and radical Islamic currents - steadily promoted in the past decades by Saudi money and imams - which have found expression in the creation and violent activities of outfits such as al-Qāʿida and the Islamic State. What is at the basis of the Kashmiri problem is, rather, the betrayal of the engagement made by the Indian State in 1947, promising a very wide autonomy to Kashmir. In other words, Kashmir discontent and the resulting unrest are not linked to religion, but are the natural enough reaction to the policies of a central state that has first steadily and duplicitously worn away Kashmiri autonomy – in spite of it being enshrined in the Indian Constitution – and, then, beginning with the early 1990s, has fallen back on a ruthless and pervasive policy of repression. This policy, however, far from solving the Kashmir problem, has increased the alienation of the Kashmiris vis-à-vis the Indian State, determining a dangerous and unstable situation. It is a situation where even a small spark can cause a massive explosion, which, as shown by Corvino, is exactly what happened in 2016.

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