

SOUTHEAST ASIA BULLETIN



CSIS SOUTHEAST ASIA INITIATIVE

CSIS launched the CSIS Southeast Asia Initiative in January 2008 to provide a venue for greater focus, examination, and analysis of Southeast Asian affairs within Washington's policy community. The initiative includes regular roundtables, conferences, studies, and forums to spotlight developments in the region.

An important component of the initiative is the monthly *Southeast Asia Bulletin*, which provides a timely overview of key developments, events, and facts about the region and offers a forum for short essays by official and unofficial commentators on regional affairs.

Feedback on the *Southeast Asia Bulletin* is welcome and can be directed to Brian Harding, research associate, at bharding@csis.org.

A NOTE ON THE
CSIS SOUTHEAST ASIA INITIATIVE

Derek Mitchell, founding director of the CSIS Southeast Asia Initiative, left CSIS in April to become principal deputy assistant secretary of defense for Asia-Pacific security affairs. CSIS wishes him the best as he assumes this important position. CSIS expects to name a new director of the Southeast Asia Initiative in 2009.

Feature Article

THE BALI DEMOCRACY FORUM:
SETTING A NEW STRATEGIC AGENDA FOR ASIA

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Asia has some catching up to do. Other regions of the world have included democracy in their regional discourse, and even developed regional mechanisms to promote democracy, for quite some time. In twenty-first century Asia, there is a need to start conversation, dialogue, and cooperation on democracy. The Bali Democracy Forum, launched in December 2008, is aimed at facilitating such a process.

In earlier times, Asia was not only the most prosperous economy in the world but also home to great civilizations. Those civilizations were the most advanced in science, technology, spirituality, arts, and culture—and they flourished within the most sophisticated political structures of the time. Today, as the most dynamic and vibrant economy in the world, Asia may very well be on its way to regaining the golden age it once enjoyed. Indeed, the twenty-first century is often projected as the “Asian century.”

It is ironic, therefore, that most volatile conflicts persist in Asia. All sorts of grievous threats to human security abound in the region, including the threat of a nuclear catastrophe. Asia also suffers relentless social problems associated with poverty: illiteracy, contagious diseases, environmental degradation, and high infant and maternal mortality.

To overcome those challenges, Asia has been actively integrating on a subregional and regional basis; but for the most part, integration has been purely economic. Clearly, Asia needs to intensify its economic cooperation, but it also needs to do more to achieve political and security cooperation, and to strike a balance between these two fields.

The rise of Asia will still be determined by its ability to meet the challenge of peace and the challenge of development—and, increasingly, the challenge of democracy. Asia's collective ability to advance democracy will shape the face of Asia in the years and decades to come. Democracy, after all, is one of the most dominant ideas in the “Asian century.”

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Many of democracy's success stories have taken place in Asia. Democratic practices have been found pervasively in many Asian societies for centuries. There are many records of the practice of pluralism, consultation, tolerance, consensus building, egalitarianism, and protection of minority rights throughout Asia. But democracy is always a work in progress. It takes day-to-day nurturing. It must be continuously sharpened as an instrument of progress. And it must always be connected to governance. Hence, its development can only be a long-term strategic goal.

Indonesia is a case in point. Democracy has been an endless process of soul searching and trial and error. Since its independence in 1945, Indonesia has tried out a series of political systems. Indonesia's present democracy is now 10 years old, born in the aftermath of a financial crisis that gave birth to the *reformasi* movement. Much progress has been accomplished, but there is still much more to be done. It has been anything but easy. But Indonesia has survived. Its people have kept their faith in democracy, despite all its imperfections. As a result, Indonesia today is better, stronger, and more united.

Along the way, Indonesia has learned that in the wake of every challenge—be it terrorism, ethnic conflicts, or economic crisis—its response has always been to strengthen, not lessen, democracy. Indonesia has learned that the best way to consolidate democracy is by strengthening its institutions. Indonesia has learned that democracy is best served when it enhances the people's political participation, and by subordinating everyone to the supremacy of law. And Indonesia has learned that democracy is very much linked to the concepts of tolerance, pluralism, and civic culture. Indonesia believes that those lessons are relevant to be shared with others. And to consolidate its democratic gains, Indonesia is also eager to learn from others.

The Bali Democracy Forum is not an exclusive forum among democracies but an inclusive and open forum for countries of Asia to share their experiences and best practices in fostering democracy. It is an intergovernmental forum about democracy, not among democracies. It is designed as a high-level annual meeting of ministers and prominent figures. It is dedicated to promoting regional dialogue and cooperation on capacity building in the field of democracy. With this approach, 32 participating countries have found the Forum comfortable for all.

By participating in the Bali Democracy Forum, a government may be able to derive insights from the experience of other governments and from the observation of experts that may be useful in planning and carrying out development of democratic institutions. At the same time, a government may also be able to help other governments by sharing its experience and best practices. As governments increase their knowledge, understanding, and appreciation of one another's policies, philosophy of governance, and values, there is bound to be a growth in mutual confidence. This, in turn, will lead to further consolidation of peace and stability in the region. It will also foster the spirit of cooperation not only in the political and security fields but also in the economic, sociocultural, and other fields.

To ensure sustainability of this process, the Indonesian government has also established the Institute for Peace and Democracy at the Udayana University in Bali. The Institute is charged with the task of conducting seminars, workshops, research, studies, training, and joint missions on various subject matters for the benefit of participating governments. By maintaining a specialized library and publishing intellectual works, the Institute is also expected to be a resource base and information center supported by a pool and network of experts on disciplines relevant to democracy and political development.

Ultimately, the Bali Democracy Forum will serve as a platform for mutual support and cooperation, where voluntary learning and sharing processes take place. This amounts to a strategic agenda toward consolidation of peace, stability, and prosperity in Asia.

RECENT TIMELINE OF EVENTS

March 11, 2009: Philippine president Gloria Arroyo signs a controversial bill defining the Philippines' maritime boundaries according to the UN Convention on the Law of the Sea, which enshrines in law the Philippines' claim to portions of the disputed Spratly Islands, drawing protests from China.

March 24, 2009: Nicholas Jouwe, cofounder of the Free Papua Movement, returns from more than 40 years in exile to renounce the independence struggle of Indonesia's Papua Province.

March 30, 2009: After months of pre-trial hearings, the trial of former Khmer Rouge prison chief Kaing Guek Eav, known as Duch, begins. He is the first Khmer Rouge leader to face the tribunal.

April 1, 2009: Mas Selamat Kastari, suspected commander of the Singapore branch of Jemaah Islamiyah, is arrested in Malaysia after escaping from a Singapore prison in February 2008. He is currently being held for interrogation in Malaysia under the country's Internal Security Act while Malaysia and Singapore determine when and if he will be returned to Singapore.

April 2, 2009: Abu Sayyaf releases one of three kidnapped International Red Cross workers after deadly clashes with advancing Philippine troops. A second was released under similar circumstances April 18, leaving one final hostage awaiting release.

April 3, 2009: Najib Abdul Razak becomes prime minister of Malaysia when Abudullah Badawi steps down. Najib was formally named head of the United Malay National Organization party in March. See **August 2008** and **October 2008** *Southeast Asia Bulletins* for background.

April 3, 2009: Troops from Thailand and Cambodia exchange heavy gunfire near the ancient temple of Preah Vihear, with each side accusing the other of firing first. One Thai soldier is killed.

April 9, 2009: Indonesia holds parliamentary elections. See **Major Regional Developments**

April 10, 2009: The ASEAN Summit opens in Pattaya, Thailand. See **Major Regional Developments**

April 17, 2009: Philippine president Gloria Arroyo urges Burma's military junta to free pro-democracy leader Aung San Suu Kyi from house arrest as a gesture of national reconciliation.

April 17, 2009: Sondhi Limthongkul, a leader of Thailand's "Yellow Shirt" protest movement, is shot in

an apparent assassination attempt. See **Major Regional Developments**

April 17, 2009: Indonesia's Tsunami Reconstruction Agency concludes work in Aceh Province more than four years after deadly waves killed 168,000 people.

April 17, 2009: Vietnam shuts down a newspaper for three months for articles critical of China for asserting sovereignty over territories claimed by both nations in the South China Sea.

April 20, 2009: Philippine president Gloria Arroyo orders a ban on the deployment of Philippine sailors on ships that pass through the Gulf of Aden. The edict comes days after 17 Philippine sailors are released from pirates' custody, leaving 105 more still awaiting release.

April 22, 2009: Malaysia removes a requirement that investments guarantee 30 percent ethnic Malay ownership in parts of its services sector. Malaysia maintains laws requiring preferential treatment for ethnic Malays.

April 23, 2009: The Philippines' Court of Appeals acquits U.S. Marine Lance Corporal Daniel Smith of rape after the victim changes her testimony. Lance Corporal Smith had been sentenced to 40 years in jail and had been held at the U.S. embassy in Manila pending his appeal.

May 5, 2009: Indonesia's chief anticorruption official, Antasari Azhar, is arrested under suspicion of murdering a prominent businessman over a love interest. The development is seen as a challenge to President Susilo Bambang Yudhoyono's substantial anticorruption bona fides.

May 11, 2009: Malaysia's high court rules that the opposition is the rightful ruler of Perak State, ending a high-profile dispute that began in February when three opposition lawmakers defected to the ruling Barisan Nasional (BN) coalition, effectively transferring control of the state government to the BN. The court supported the opposition's claim that it had dissolved the assembly minutes before the defections.

May 26, 2009: Thailand's "Yellow Shirts," the People's Alliance for Democracy, agree to form a formal political party. See **Major Regional Developments**

May 29–31, 2009: The Shangri-La Dialogue, a major regional defense and security forum hosted by the London-based International Institute for Strategic Studies, convenes in Singapore. U.S. secretary of defense Robert Gates, Australian prime minister Kevin Rudd, and Vietnamese minister of national defense Phung Quanh Thanh are among the speakers. Details are available **here**.

MAJOR REGIONAL DEVELOPMENTS

Unrest in Thailand

The calm that followed Prime Minister Abhisit Vejjajiva's rise to power last December quickly disappeared in March when thousands of "Red Shirts" began holding sit-in protests outside government offices in Bangkok, disrupting the work of the Abhisit government. The Red Shirts are supporters of former prime minister Thaksin Shinawatra and officially call themselves the United Front for Democracy Against Dictatorship (UDD). Their ranks are mainly comprised of the rural poor from whom Thaksin drew his electoral strength, although their protests have shown signs of some middle class support as well.

While the lines are far from neat, the Red Shirts stand in opposition to the yellow-shirted People's Alliance for Democracy (PAD) that swept Abhisit's Democrat Party into power in December and brought down Thaksin in 2006, as well as two Thaksin successor governments in 2008. They are supported by Thailand's long-standing urban elite—businesspeople, the military, and the palace. The Red Shirts seek to wrest political control from this alliance and have worked to craft a message that they stand for "democracy" and that they represent the "grassroots" in opposition to this entrenched elite, embodied by Abhisit, an Oxford-educated lawyer who came to power as a result of elite politics.

The situation disintegrated on April 11 when protesters stormed the site of an ASEAN summit meeting (which was to be followed by ASEAN meetings with China, Japan, and South Korea, and the East Asia Summit with India, Australia, and New Zealand as well) in Pattaya, Thailand, 100 miles southeast of Bangkok. The government declared an "extreme state of emergency" and evacuated foreign leaders by helicopter.

Protests continued in Bangkok with thousands of protestors surrounding Government House and blocking major intersections. The protesters retreated on April 14 in the face of army pressure, but only after clashes left 120 injured and 2 dead.

Tensions waned after the "Battle of Pattaya," with the government lifting the state of emergency on April 24. However, on April 17, Sondhi Limthongkul, a leader of the PAD, was shot in an assassination attempt by unknown assailants and by the end of May appeared poised to lead a reconstituted PAD as a formal political party.

Indonesian Holds Elections

On April 9, Indonesia held its second direct parliamentary election since the fall of the Suharto regime in 1998. Thirty-eight parties fielded candidates for 700 seats, with 9 parties passing a 2.5 percent threshold to seat MPs.

In the run-up to the election, several violent incidents in Aceh raised fears of election day violence, but only a few isolated separatist incidents in Papua Province marred what was generally hailed as a free and fair election in the world's third-largest democracy.

President Susilo Bambang Yudhoyono's Democrat Party was the election's big winner, taking 21 percent of the vote, three times its total in 2004. Megawati Soekarnoputri's Democratic Party of Struggle and Vice President Jusuf Kalla's Golkar Party were among the losers, with approximately 14 percent each. Islamic parties took about 24 percent of the vote, down from 39 percent five years ago, with the Democrat Party picking up many of these voters.

Any party or coalition of parties with 20 percent of the vote or 25 percent of seats in parliament can field a candidate for president, which led to extensive political negotiations and coalition building in April and May. In the end, Yudhoyono used his new position of strength to choose for his running mate the apolitical, highly respected Central Bank governor Boediono. Golkar Party chairman and current vice president Jusuf Kalla will run on his own with retired general and 2004 presidential candidate Wiranto as his running mate. The third candidate in the July 8 election will be Megawati, running with retired general and Suharto son-in-law Prabowo Subianto. Most observers view the election as being Yudhoyono's to lose.

Aung San Suu Kyi's Trials Continue

With Burmese opposition leader Aung San Suu Kyi's house arrest due to lapse on May 27, it was expected that the ruling junta would find a way to extend her detention. However, the discovery of U.S. national John Yettaw on May 5 at Suu Kyi's lakefront home brought an unexpected twist.

Yettaw, a 53-year-old man from Falcon, Missouri, swam to Suu Kyi's lakeside home and stayed two nights before Suu Kyi's staff escorted him out. Uninvited, his motives remain unclear. However, the junta labeled the incident

a breach of the conditions of Suu Kyi's house arrest and sent Suu Kyi and Yettaw to Rangoon's Insein prison.

Suu Kyi's trial began on May 18 behind closed doors, although the government allowed a group of journalists and diplomats to attend proceedings on May 20. The British ambassador told reporters that Suu Kyi was "composed" and "crackling with energy" at the hearing, countering reports of frail health. According to her lawyer, Suu Kyi has pleaded her innocence to the court.

Reaction by Western governments has been predictably harsh, with the U.S. Senate passing a resolution calling for her immediate, unconditional release and President Barack Obama releasing a **statement** calling for the same. ASEAN also publicly condemned the junta's actions, with Thailand, as chair of ASEAN, releasing a strongly worded **statement** expressing "grave concern" over Suu Kyi's detention, noting that "the honor and credibility of the Government of the Union of Myanmar is at stake."

Many observers suspect that the military junta is conniving to keep Suu Kyi out of sight in the run-up to elections scheduled for 2010. At month's end Suu Kyi was still awaiting her verdict.

Economic Troubles Continue

Export-dependent economies of Southeast Asia (Singapore, Thailand, Malaysia) fared poorly in the first quarter of 2009, with economies driven by consumption (Indonesia, the Philippines) performing comparatively well. However, the export-dependent economies showed signs that they may have bottomed out, and some expect them to rebound quickly as the world's major consumer countries recover.

Singapore's export-reliant economy contracted by an annualized 14.6 percent in the first quarter, leaving it 10.1 percent smaller than after the first quarter of 2008. However, this decline was less severe than the government anticipated, diminishing expectations of a new round of stimuli. Thailand's economy, which is highly dependent on exports and tourism, shrank 1.9 percent in the quarter, leaving it 7.1 percent smaller than a year ago. Malaysia's economy ended the quarter 6.2 percent smaller than at the end of the first quarter in 2008 after it fell an annualized 7 percent in the quarter as exports fell 25 percent.

Indonesia's economy, where private consumption composes two-thirds of GDP, performed far stronger in the first quarter than any other in Southeast Asia, ending the

quarter 4.4 percent higher than a year ago. The economy of the Philippines, where rapidly falling exports combined with relatively strong domestic consumption, shrank by an annualized 2.3 percent in the first quarter, leaving it 0.4 percent larger than a year ago. Meanwhile, reduced remissions from Filipinos abroad, which constitute 10 percent of GDP, portends badly for consumer spending later in 2009.

Vietnam, whose economy is based more than 60 percent on international trade, defied regional trends by managing 3.1 percent growth compared to a year earlier, but the government was forced to reduce its official growth target for 2009 to 5 percent.

U.S. ENGAGEMENT IN THE REGION

March 4, 2009: The U.S. government admits for the first time that it had a secret jail in Thailand where suspected al Qaeda operatives were taken to be interrogated.

March 25, 2009: Stephen Blake, the State Department's director for mainland Southeast Asia, visits Burma for talks on improving relations, indicating a new approach from Washington. The United States follows up this visit with a donation of 16,000 tons of rice to cyclone victims in the Irrawaddy delta.

April 17, 2009: Secretary of State Hillary Clinton meets with her counterpart from Singapore during the latter's trip to Washington, D.C. Their remarks can be found [here](#).

May 4–8, 2009: The United States and the Philippines cosponsor the ASEAN Regional Forum (ARF) Voluntary Demonstration of Response, a civilian-led, military-supported activity involving more than 20 countries. More information can be found [here](#).

May 14, 2009: Secretary of State Hillary Clinton meets with her counterpart from Malaysia during the latter's trip to Washington, D.C. Their remarks can be found [here](#).