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Is liberal democracy in decline?

31 May 2019

The apparent decline of Western liberal democracy affords nations, especially those in ASEAN, the chance to forge a path without siding with a rising China or a stuttering America

At the 2018 Singapore Summit, Chairman of the Singapore Management University (SMU) Board of Trustees **Ho Kwon Ping** pointed out in his opening remarks two distinct global political trends: a decline in democratic liberalism and “the transition, at least in the Asian region, from Pax Americana to Pax Sinica”.

“By my stating that Western liberal democracy is on the decline today, I’m not making the logical jump to say it is in a terminal decline,” he explains in a panel discussion titled “Decline of Liberal Democracy and the Rise of China” for Singapore-based station CNA’s Perspectives programme. “Throughout history, liberal democracies have always had a kind of pendulum action where they go into decline, and then they rise out of it again.

“There have been in Europe, in the last few centuries, other periods of populism, of unaccountable governance, of high inequality of wealth and so on which prompted quite a lot of political mayhem and then the pendulum swung back again.”

Inequality of wealth and populism do indeed feature in many of Europe’s darkest episodes, with the former a key spark in the 1917 Russian Revolution and the 1789 French Revolution, among others. Populism helped propel Hitler’s rise to power and is currently a prominent theme on the continent, with Italy and Austria run at least in part by a populist/nationalist party.

Picking up on Ho’s point, fellow panellist **Pamela Qiu**, Director for Southeast Asia at the Economist Intelligence Unit (EIU) believes that capitalism is coming under fierce attack even though key features of liberal democracy on which modern capitalism is built are “still thriving [and] blossoming”.

THE STATE OF CAPITALISM...AND THE STATE AND CAPITALISM

“What we’re seeing today is actually more participation and more voices saying, ‘We are facing a hard time, help us here,’ and going to the streets, going on social media, going to the voting booth; that system is still in place,” Qiu explains. “In that sense, liberal democracy is not in decline.

“We’ve looked at some surveys of millennials, for example, who are quite attracted to the socialist model. Maybe more redistribution, more state expansion. That’s possible, and that also ties in with what China has traditionally done quite well: State-led capitalism.”

“What is the relationship between the state and the market?” asks another panellist **John Donaldson**, Associate Professor of Political Science at SMU. “Do you have more state intervention? Do you have actual state leadership within the market? One thing that’s crystal clear is that [pure] market systems simply do not work. One thing that’s crystal clear is that pure state systems do not work, so finding that balance becomes really important.”

Ho offers: “One of the fundamental challenges of this perhaps temporary decline in liberal democratic systems is that it is posing a challenge to Asian societies for those who want to keep to a very Western political parliamentary system.

“One good thing about the decline of Western democracy is that there’s no more one single model we have to go for. Just having elections alone does not guarantee good governance.

What China needs might be what is best for China today. What does Indonesia need? What does Thailand need?

“What every society needs is different and we do not need to follow that same model.”

Across Southeast Asia, the models of governance are almost as diverse as the nations in the region. Thailand and Myanmar are heavily influenced by the military while the Singaporean and Malaysian models have been described as “competitive authoritarianism”. Vietnam and Laos are still single-party communist states but even these countries hold elections, however limited. Indonesia and the Philippines have selected political mavericks, notwithstanding the two men’s differing personas and agendas and their countries’ political histories.

What is more important is the culture of accountability, says **Annisa Natelegawa**, Partner and Managing Director at the Asia Group Advisors.

“I mean obviously free and fair election, usually when you think democracy, that’s the first checklist,” says Natelegawa, who used to work in the Political Cooperation Division of the ASEAN Secretariat. “Most recently with the Malaysian elections, and then similarly in Indonesia and also in The Philippines...I think the population are looking for leaders who are taking steps against the old establishment, and those who are holding the older guards to more accountable, particularly on issues of corruption. I think that is quite resonant with the political trend that we are seeing at this time.”

CHINA AND ASEAN

Given the apparent disarray of Western governments (Brexit and Trump, just to name two instances) and the economic sluggishness in Europe (Greece, Spain, Italy etc.), it might be easy to hold up the Chinese model as an example to follow. After 70 years of a Pax Americana – “a polite euphemism for hegemony”, quipped Ho at the Singapore Summit – America is forcing the rest of world to choose between it and a rising China, who in turn is doing the same.

“If you look at tech, you look at Huawei,” says Qiu. “The U.S. is saying, ‘If you buy from Huawei, please consider the consequences.’ It’s the same for the Chinese. The Chinese say, ‘If you ban us, please consider the consequences.’”

“For us, in Southeast Asia, it’s a very different perspective,” Ho says with regard to how ASEAN might react to a prospective binary choice. “I don’t think we, as Southeast Asians, having one foot in the West and one foot in Asia, are that baffled by the rise of an East Asian civilisation. The difficulty for us is actually being squashed in between.

“And particularly for Singapore, because Singapore has always been proud that we speak truth to power, we have friends on all sides, and we’ve been able to manage that quite well. But, when things become very difficult, and you are either a friend or an enemy, and we then have to choose, it’s going to be very difficult for us to choose.

“It’s not going to be helped by the fact that within ASEAN, some ASEAN states are virtually client states or proxies of the Chinese government, and we get punished if we speak truth to power.”

But does ASEAN, as a body, need to choose? What about individual nations?

“I don’t think we should pick a side,” Qiu states. “I think actually maybe a rising China could be helpful for us, because it helps us to push us to make relationships and be friends with other people.

“For example, Japan and India, they are forging a relationship. Japan and the EU, they had a big trade agreement that covers a one-third of global GDP. Actually a rising China is forcing us to look outside. Where can we form partnerships? Where can we look for friends?”

“Where can we make sure that we can bind together? Because this is exactly what China does not want. They want bilateral agreements [and] opaque deal making. We don’t want that. So it’s in our interest actually to look outside and try to be friends with everyone.”

Ho Kwon Ping, Pamela Qiu, Annisa Natelegawa and John Donaldson were part of a discussion panel, “Decline of Liberal Democracy and the Rise of China” for the SMU-CNA programme Perspectives that was recorded at the Singapore Management University School of Law. Follow us on Twitter (@sgsmuperspectiv) or like us on Facebook (<https://www.facebook.com/PerspectivesAtSMU>)