I. INTRODUCTION: THE CENTRE’S MISSION

Let me begin by commending Prime Minister John Howard and his colleagues – Foreign Minister Alexander Downer in particular – and the Australian National University for founding this Centre for Democratic Institutions.

And I am highly honored to be asked to associate myself with the work the CDI will be doing.

I understand the CDI’s mission is to assist Australia’s neighbor-countries in Asia and the Pacific in their efforts to establish stable political systems which combine effective government with popular participation to achieve economic development for their peoples.

Lenin and his latter-day disciples used to say democracy is a luxury poor countries cannot afford.

But now we know that, to the contrary, democracy can sometimes spell the difference between life and death for ordinary people.

The Cambridge economist, Amaryta Sen, has just won the Nobel Prize for his study of the horrible famines in India, Bangladesh, Ethiopia and the Saharan states.

And Sen found that mass-starvation can occur even when food is plentiful – when ‘unaccountable’ rulers are indifferent to the interests of their people.

Sen concluded that in all of these famines, ‘it was lack of democracy, not the lack of food, that left

Democratizing forces have broken loose in today’s world.

In our time, democracy has become part of the fashionable attire of modernity. The democratic ideals of freedom, equality, people empowerment and popular sovereignty have become so appealing that even non-democracies pay them lip-service.

Indeed, two powerful democratizing forces are at work in today’s world. Amazingly quick and universal are the new communications and information technologies. They tend to decentralize political power, and cut across socio-economic barriers by enabling people to reach out directly to one another, bypassing channels once controlled by governments.

Consider how mightily China’s rulers are worrying over the penetration into their country of satellite television and the internet – and how the internet is linking up the scattered middle-class advocates of reformasi in Malaysia.

Even more far-reaching are the liberative effects of the market system – which most every East Asian country has taken up. Just as early capitalism overthrew feudalism in Western Europe, so
does the globalizing way of life now erode, little by little, authoritarian regimes and their practice of centralized decision-making.

This the market system does by gradually transferring social power to the corporate and civic groups, to churches, to media and other voluntary organizations that make up civil society. Steadily, the open economy imposes its subtle restraints on the political system – raising the political costs of arbitrariness and the abuse of state power.

Here in Asia-Pacific, we can easily see the increasing incompatibility between some modernizing economies and the authoritarian regimes that regulate them.

DEMOCRACY AS A LEARNING PROCESS

In Jakarta, in Kuala Lumpur, in Seoul, in Yangon, in Beijing – people are crying out for democracy. But while the institutions for democracy – such as regular elections, representative parliaments, free newspapers, and independent judiciaries – are relatively easy to assemble, making them work requires a long learning process, for which people often have little patience.

Overthrowing a strongman is certainly much easier than building up the measure of mutual trust among the contenders for subsequent political power – which ensures that electoral defeat does not mean economic or even personal elimination; and victory is tempered by accountability.

Democracy is difficult to institutionalize – for democracy asks more of those who would follow it than do other forms of government.

Under dictatorial rule, people need not think – need not choose – need not make up their minds or give their consent. All they need to do is to follow. This has been a bitter lesson learned from Philippine political experience of not so long ago.

By contrast, a democracy cannot survive without civic virtue. In a democracy, people must choose to place the national interest above their own. They must voluntarily abide by universally accepted standards of ethical behavior. They must cultivate a genuine respect for the rules of the game – meaning the rule of law and human rights.

The political challenge for peoples around the world today is not just to replace authoritarian regimes with democratic ones. Beyond that, it is to make democracy work for ordinary people.

And this is why I regard this Centre for Democratic Institutions as an important initiative by Australia. For, in this learning process, the peoples of Asia-Pacific will need all the help they can get.

II. COUNTRIES POISED BETWEEN DEMOCRACY AND AUTHORITARIANISM

In many East Asian countries today, political systems are poised between various forms of democracy and various forms of authoritarianism – as a result of the financial and currency crisis that has raged across the Asia-Pacific region for 16 months now.

Already the crisis has had near-revolutionary side-effects in some countries.

It brought down the Chavalit government in Bangkok, and the Hashimoto government in Tokyo, and blighted the outgoing Kim Young Sam government in Seoul.

In Jakarta, it triggered the outburst of rioting that led to the collapse of the 32-year-regime of President Suharto.

In Kuala Lumpur, it set off the policy conflicts within the Malaysian political leadership, whose ultimate consequences we have yet to see.

And yet we cannot even say the fallout from the crisis has dissipated completely.
So far, the crisis has been disruptive of socio-economic progress in East Asia – not only destabilizing to national politics – but also damaging to people’s lives. Over the longer term, however, its effects could be, on balance, beneficial.

I suggest that the crisis could, in the end, result not only in more transparent and dependable financial systems but also more truly democratic political systems throughout the Asia-Pacific region.

Not only is the crisis forcing corporate cultures to converge in the direction of more openness and greater efficiency. Across differences in history and culture, the crisis is also compelling East Asian states to establish their authority less on coercion – and more and more on social consensus.

And for a simple reason: as the example of the former Soviet Union instructs us, a government whose political authority is based on coercion cannot run an economy that must operate at world-class standards.

THE CRISIS IS DIMINISHING THE AUTHORITY OF EAST ASIA’S STRONG-MAN REGIMES

Over these last 30 years or so, the amazing growth of some of East Asia’s economies had somehow compensated for the restrictions on people’s freedom imposed by their authoritarian governments.

Even in China, the bankruptcy of Marxism had pegged the legitimacy of the regime upon its ability to consistently deliver economic growth and social services to the people.

According to UN reports, between 1965 and 1995, average incomes in Malaysia, Indonesia and Thailand multiplied four times – doubling every seven and a half years. And, in South Korea, incomes multiplied seven times – doubling almost every four years.

And growth at this rate produced a dramatic decline in regional poverty.

Over the twenty years between 1970 and 1990, again according to UN reports, the incidence of absolute poverty in Malaysia fell from 18% of all families to only 2% - in South Korea from 23% to only 5% - and in Thailand from 26% to 16%.

In China, poverty declined from 33% of all families in 1970 to only 10% in 1990.

And, in Indonesia, thanks to rural development programs that brought high-value crops, fertilizer subsidies, and outright dole-outs, poverty reduction was the most dramatic – from 60% of all families down to 15%.

But now the crisis is eroding the authority of regimes whose only claim to legitimacy is based on their delivery of economic goods and social welfare to their national constituencies.

As growth weakened, and social services become less affordable, demands for freedom and political participation have become louder – especially from new middle classes afraid to slip back into poverty.

The very same social classes that have benefited the most from the stability and prosperity of East Asia’s strongman regimes are the most vocal and aggressive in demanding from their rulers political reforms and participation in decision-making.

Everywhere in the region, people have become more openly critical of unaccountable governments. And in regimes that bottle up popular feelings, dissent could burst out in civil disorder.

To all of us, such serious political and social fragmentations are a wake-up call that – in Asia-Pacific – the time of authoritarianism is past, and that people’s participation in national politics and its institutions has become the wave of the future.

AUSTRALIA CANNOT BE INDIFFERENT TO THE PLIGHT OF ITS NEIGHBORS

It is gratifying to know that Australia is determined to respond positively – and soberly demands for empowerment from the common people of our region.
For Australia, Southeast Asia by itself has become a more important export market than either the United States or the European Union. And Northeast and Southeast Asia together account for more than 60% of Australia's merchandise exports.

Beyond commercial interests, Asia-Pacific is where Australia's future lies and where both Australia's security and prosperity may ultimately be decided.

And for its neighbors groping their way toward civility, Australia can be a school for tolerance, moderation, compromise, and compassion.

If it is now to play this noble mission in Asia-Pacific, Australia must stand up for democratic values in the region. For (as The Economist argues), if democratic values are not openly defended and actualized by those nations that profess them, they would not in the long run prevail, and peoples everywhere would become all the poorer.

Australia and the rest of us must continue to insist that the poorest individuals in our global society are of equal moral worth and that we – as human beings – have obligations to one another. By daring to reach out, we should also be caring and sharing.

To me, this could be one of the highest duties of this Centre for Democratic Institutions.

THE ROLE OF THE G-7 COUNTRIES

Australia and the G-7 countries must also help ensure that the market system in East Asia emerges stronger and more stable from this crisis.

The affluent nations must lead in discouraging any tendency among the distressed economies to return to protectionism and to recede into inward-turning nationalism.

Certainly, the G-7 countries have a responsibility to take the lead in restoring the global economy to the path of growth. And certainly China – which has so far been a good neighbor to East Asia in crisis – should be co-opted into this collective leadership.

The G-7 proposals announced in Vienna last month include a 'rapid deployment fund' managed by the IMF – from which an afflicted economy could draw quickly before its financial problems worsen into a deeper crisis.

But that G-7 ‘blueprint’ is obviously still far from being a doable formula for a ‘strengthened financial architecture for the global marketplace.’

A great deal of thinking, consultation, consensus – and action – still lies ahead for the G-7 political and economic leaders.

In the search for solutions, the developing countries must be heard as well. They must not be made to feel that crucial decisions are being made above their heads, and that they are being exploited by the rich countries or being converted once more into ‘neo-colonies’.

What now seems unavoidable is some restriction on the flow of portfolio capital. We cannot keep treating capital-account convertibility as we do merchandise trade – because capital flows – unlike merchandise trade – are subject to panics, manias and crashes.

If East Asia’s distressed economies are to negotiate this transition between authoritarianism and democracy without mishap, their governments must put in place a transparent and predictable regional economic environment and elicit the goodwill of the outside world.

BALANCING REFORM AND STABILITY

Within national society, the pace of reform (which could generate instability) must be balanced with the need for stability. This means reform must not exceed the bounds the political system can tolerate.
Perhaps – because we Filipinos have fewer illusions – we have been able to carry out our own structural reforms bit by bit and step by step over the past ten years – ensuring only that they are not too tentative and too timid so as to exhaust people’s patience with the process of reform itself.

It is easy to belittle our unique style of Philippine democracy and representative system - but ordinary Filipinos do put their faith in it. Our kind of democracy might still be miles away from Westminster’s, but it already passes the ‘bottom-line test’ in that we can change our rulers according to a constitutional process without resorting to violence and bloodshed.

Imperfect as it is, Philippine democracy works, not only does it keep us free – it has enabled us to organize our economy for self-sustaining growth.

Even in dealing with the financial turmoil, the openness of national society has helped us along. That public policy is made so openly - and subjected to such sharp public scrutiny – results in a transparency of governance which inhibits the kind on crony capitalism that flourishes under authoritarian rule.

Today, this openness of Philippine national society is our competitive edge in our immediate neighborhood. By awakening ordinary people to the possibilities of their lives – it has enlarged tremendously our talent pool of enterprise, knowledge and productivity.

III. MOVING TOWARD THE CIVIC COMMUNITY

To the question: Is there an Asian mode of democracy? I would reply that all complex societies – whether of the East or West, North or South – are best ruled increasingly by conciliation and consensus – if society is to become both free, orderly and productive.

To me, what matters most is that we all develop some tolerance for differing realities: that we all become less quick to measure other peoples by the political standards we set for ourselves.

DEMOCRACY IN THE CIVIC SOCIETY

In the end, what should we be striving for?

Democracy by itself is not enough.

Democracy per se does not guarantee good government.

Democracy cannot survive where national society is torn up and pulled apart by intense ethnic, religious, political or cultural hatreds.

We must strive not merely to democratize East Asia.

We must also improve the entire character of its civic life.

We must strive to form civic communities throughout the region – communities marked by active, public-spirited citizens, by egalitarian political relations, and by social fabrics of trust and cooperation.

Together with the rule of the people, we need civility and ‘the bundle of freedoms that includes the rule of law, the protection of basic liberties, and the separation of powers.’

In the civic community, democracy rests on the idea of self-governing groups of citizens united less by their homogenous interests and more by their larger civic concerns, and who are made capable of common purpose and mutual action by their civic attitudes and participatory institutions rather than by their altruism or their good nature.

This, it seems to me, is the proper work of this Centre for Democratic Institutions – to help move East Asian states toward the civic community, so that never again will people die from the lack of democracy!
This, too, is the proper work of countries such as Australia and the Philippines in our quest for an enduring, progressive, Asia-Pacific community!!

Thank you and *Mabuhay* (best wishes)!!!