

## **The world in 2011**

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AS WE come to the end of an eventful year, here are some lessons we can draw from the major events and trends of 2011.

### **South-east Asia**

SOUTH-EAST Asia has had a good 2011. The economies of the region have all registered positive growth, and as a whole grew by 5 per cent. Apart from skirmishes on the Cambodian-Thai border, the region was peaceful. Asean's chairman, Indonesia, persuaded Cambodia and Thailand to come to the negotiating table, thereby restoring peace and saving Asean's credibility. While the border has been quiet since the election of a new Thai government, in the long term the two countries should agree on the precise boundaries between them.

### **Asean**

ASEAN, under the able chairmanship of Indonesia, has also had a successful year. Asean's relations with the major, middle and other powers were trouble-free and cordial. Asean and China celebrated the 20th anniversary of their formal dialogue partnership with the opening of an Asean Centre in Beijing. The United States upgraded the status of Asean in US policy.

As the rivalry between the major powers in the Asia-Pacific intensifies, Asean's role at the centre of regional institutions has been enhanced. The Bali summits of Asean, Asean+3 and the East Asia Summit (EAS) produced positive outcomes. The most significant was the admission of the US and Russia to the EAS, fulfilling both former Australian prime minister Kevin Rudd's Asia Pacific Community proposal and former Japanese prime minister Yukio Hatoyama's East Asian Community proposal.

Roundly criticised by the West for its policy of engagement with Myanmar's government, Asean has been vindicated with the dramatic changes that have taken place there recently, again proving the futility of the West's preference for sanctions and isolation.

### **Japan**

JAPAN has truly experienced a year of horrors. The triple disasters of earthquake, tsunami and accident at the Fukushima nuclear power plant dealt Japan a huge blow. However, the Japanese people responded magnificently to the disasters, reminding the world that the Japanese are brave, resilient, united and strong. Displaying the same qualities, the Japanese women soccer team defeated, in succession, three former world champions - Sweden, Germany and the US - to win the Fifa World Cup.

Does the dark cloud over Japan have a silver lining? The answer is yes, for the following reasons: first, the generous manner in which Japan's neighbours and other countries responded in its hour of need has left a deep impression with the Japanese. They are now more willing to embrace the world and to further open up Japan. Second, the speed of the recovery has given

them a new self-confidence, absent for the past two decades. Third, Japan will intensify its efforts at energy efficiency and rethink its reliance on nuclear energy.

## **China**

CHINA has continued to grow in prosperity and stature, overtaking Japan to become the world's second largest economy. China has become America's largest creditor country. In a development which seemed unthinkable a few years ago, Europe has asked China for help. China is largely at peace with itself - 'largely' because two of China's ethnic minorities, the Tibetans and the Uighurs, appear to be unhappy. There have also been demonstrations against inadequate pay and working conditions, and against corrupt and oppressive local officials. I am confident China will re-examine its minority policies and strengthen the rule of law and its policy of inclusive growth.

Externally, China's relations with the US - its most important interlocutor - are a mixture of sweet and sour. China-bashing may become a popular tactic to score points with the American electorate next year. China's relations with Japan are rocky, while relations with India are burdened by history and by a deficit of trust.

Professor Wang Gungwu, the chairman of the East Asian Institute, has often said that, historically, of China's four borders, the south was the most peaceful. China's relations with its southern neighbour, Asean, are comparatively good. Two issues could, however, undermine this: the South China Sea and China's increasingly assertive attitude towards its neighbours. Both sides should abide by the wisdom of an ancient Chinese saying, that great powers should be benevolent and small countries should be wise, as quoted by The Straits Times' columnist Goh Sui Noi earlier this month.

## **India**

INDIA has experienced both ups and downs. The media has focused mainly on the bad news, including the frequent revelations of alleged corruption by office holders and the recent retreat from liberalising the retail industry. But the Indian economy has weathered the storm well and continued to grow at an impressive pace. India's influence in the world has continued to rise. Australia's decision to lift the ban on exporting uranium to India was another plus. And India's relations with all its neighbours, including Pakistan, improved during 2011. The unveiling of a Nehru marker and bust by Prime Minister Manmohan Singh and Mr Goh Chok Tong in Singapore was a high point in our bilateral relations this year.

## **Arab Spring**

AFTER decades of strongman rule, the Middle East and North Africa erupted with popular uprisings, overthrowing Zine el-Abidine Ben Ali in Tunisia, Hosni Mubarak in Egypt, Muammar Gaddafi in Libya and Ali Abdullah Saleh in Yemen. What led to these uprisings? What lessons can the world learn from them? Are they relevant to other parts of the world?

It is hard to pinpoint the causes of the uprisings. We know that the spark which set Tunisia on fire was the self-immolation of a young fruit seller in a market. Fed up with the lack of economic opportunities and the constant persecution he faced from corrupt and oppressive officials, his self-sacrifice caught the imagination of Tunisians, who defied the threat of violence and demonstrated peacefully against their long-time ruler. The success in Tunisia emboldened the peoples of Egypt, Libya and Yemen to demand regime change.

What can we learn from the Arab Spring? Rule by a dictator, even if he is relatively enlightened, cannot last. Notwithstanding the many flaws of democracy, people all over the world aspire to a government of the people, by the people and for the people. They will not put up for long with a government which is oppressive, incompetent and corrupt. Such governments do not work for the people but for themselves - the people lack economic opportunities and are not treated with respect and dignity. People want their governments to be transparent and accountable. They want a fair society, where decision-making is transparent and fair, and the outcome is also fair.

I do not know whether the Occupy Wall Street movement was inspired by the Arab Spring, but I see similarities. Americans want a fairer society where the prosperity is more evenly distributed and where the difference between the top 1 per cent and the rest of society is not so stark. It is also a protest against the corruption of US politics and Congress by organised money. The Occupy Wall Street movement is, I suspect, also a response to the Tea Party movement.

## **America**

A MIXED year in which the US economy has grown weakly and the unemployment rate hovers between 8 per cent and 9 per cent. Politically, the country has never been more polarised. The Republicans appear to be so determined to destroy President Barack Obama that they have put party interests ahead of the country. As a result, there is gridlock in Congress and between the two branches of the government.

The Republican nomination race to challenge Mr Obama next November is not a pretty sight to behold. Most of the candidates have pandered to the worst instincts of the electorate, putting aside principle and dignity, and grovelling for the support of every constituency.

Unlike the dismal domestic picture, the US has done extremely well abroad. It tracked down and killed America's enemy number one, Osama bin Laden. The US has pulled its troops out of Iraq, leaving the people of that divided country to an uncertain future. And the US is withdrawing from Afghanistan.

The Obama administration's pivot to the Asia-Pacific has been welcomed by most in the region with the important exception of China. The US has re-committed itself to Apec, and driving the Trans-Pacific Partnership negotiations. The US joined the EAS, held its third annual summit meeting with Asean, and encouraged Myanmar on its road to democracy. It has re-energised its alliances with Japan, South Korea, Australia and the Philippines. While welcoming Mr Obama's pro-Asia policy, Asean wants the US-China relationship to remain cooperative and not become confrontational. But this policy may not survive a change of leadership at the US State Department or in the administration.

## **Europe**

THE eye of the storm of the financial and economic crisis in 2011 crossed the Atlantic and hit the euro zone with great force. The euro zone was punished for not enforcing fiscal discipline as required by the Maastricht Treaty and the Stability and Growth Pact. Portugal, Ireland, Greece and Italy - the so-called Pigs - caused a crisis of confidence in the euro. The euro zone leaders have realised it is not just the survival of the euro but of the European integration project - what is ultimately at stake is nothing less than peace in Europe. With this historical perspective, I am therefore confident that the euro will survive.

## **Bric and Basic**

WE ARE truly living at a historical turning point. The US remains the world's pre-eminent power. The European Union, Nato and G-7/G-8 are institutions of wealth and power. However, a new world is being born. Manifestations of this new world are such new groupings of countries as G-20, Bric and Basic. The power of Basic, consisting of Brazil, South Africa, India and China, was on full display at Durban's recent climate change meetings. The final deal in Durban was struck between the US, the EU and Basic.

As Singapore is a small country, I feel compelled to point out that G-20, Bric and Basic represent the big countries of the world. Who speaks for the small countries which, after all, make up the great majority of the 192 member states of the United Nations? A way must therefore be found for the members of the Forum of Small States to participate in the decision-making process of these elite groupings.

Democracy should prevail, both at the international and national levels.

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