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## Note from the Editor-in-Chief

Dear Readers,



Welcome to the second issue of the revamped AJPA. This issue is characterised by the diversity of articles and aptly represents the interdisciplinary nature of public affairs. The first article crosses gender studies with political representation. Using econometric analysis, Li Lili and Michelle Khoo examined the efficacy of gender quotas in politics, specifically whether gender quotas help or hinder women’s symbolic representation in the political arena? By comparing over 37,000 responses to the question “Men make better political leaders than women do” across 12 countries before and after the presence of parliamentary gender quotas (if any), the duo find that gender quotas are related to an increase of about 10-15 per cent in the proportion of people who believe women are at least as good political leaders as men. Comparatively, the presence of gender quotas that are mandated by constitution or electoral laws more strongly correlates with differences in perception than the presence of gender quotas that are voluntarily set by political parties (15 per cent versus 9 per cent improvement respectively). The results have an implication on the potential role of gender quota systems in overcoming stereotypes among the general public, as the top-down effect of legal quotas is related to substantial positive changes in perceptions towards women as political leaders irrespective of bottom-up changes in cultural attitudes towards women.

The second article is on international security. US Rebalance to the Asia-Pacific has been the hot topic in the news since the announcement of ‘US Pivot to Asia’. There is much discourse in academia and journalism. Nguyen Thi Thuy Hang attempted to appraise this rebalance at its five-year milestone. Employing a documentary research methodology, Nguyen analyses official US documents and secondary sources to examine three questions: (1) How has the U.S. rebalance been implemented? (2) What are the obstacles to the U.S. rebalance? and (3) What should the U.S. do to truly succeed in carrying forward the rebalance? The paper ends with policy recommendations that would help the U.S. government to fully realise the Asia-Pacific rebalance, namely to build domestic power, to reinforce alliances and partnerships, and to increase engagement with China.

Next, is a health policy commentary on MERS-CoV (Middle East Respiratory Syndrome coronavirus) outbreak in South Korea. Professor Tikki Pang noted that the outbreak in South Korea has caused great concern in the Asia-Pacific region, especially in the wake of the devastating Ebola epidemic in Western Africa. From a policy perspective, the responses of countries in the region affected by MERS-CoV to contain and control the outbreak provides an example of where public policy is dictated and influenced by fear, anxiety and politics rather than the strength of existing evidence. This, in turn, results in unnecessary over-reaction, wastage of human and financial resources, and negative impacts on a country’s economy.

Dr Caroline Brassard reviewed a book which marries humanitarian issues and development economics. In her opinion, Humanitarian Economics marks the start of a long-term interdisciplinary research agenda on the complex aid-conflict-disaster nexus. Carbonnier develops the foundations of humanitarian economics, including a discussion on humanitarian principles and the humanitarian market. It is a must-read for anyone seeking a thorough understanding of, and a broader perspective on, the complexities behind the developmental and humanitarian challenges for countries in crisis situations - either undergoing conflicts or human and 'natural' (climatic-related) disasters. The book is also highly timely given the inaugural World Humanitarian Summit (WHS) coming up in Istanbul on 23-24 May 2016.

Lastly, Charles Phua reviewed a book which intersects area studies and public administration. In *Brunei Welfare Monarchy: Past, Present and Prospects*, Marie-Sybille, Professor at the Faculty of Southeast Asian Studies in National Institute for Oriental Languages and Civilisations, Paris, provides a comprehensive historical account of key political, social and economic developments in Brunei briefly from the End of Ice Age (40,000 BCE) till 2014 with a focus on the last 1000 years. Marie-Sybille's key contribution to 'area studies' approach to public administration is in its four-chapter account of Brunei's public administration history which officially started with the British Residency and later a modernisation process of a modern Islamic state in religion and politics, economics and diplomacy. This book adds value to the hitherto sparse literature on the public administration in petro-states.

Phua Chao Rong, Charles  
Editor-in-Chief, Asian Journal of Public Affairs  
President, Association for Public Affairs  
Jan 2016

## RESEARCH ARTICLE

# Impact of Gender Quotas on the Perception of Women's Suitability as Political Leaders

Lili Li<sup>1</sup> and Michelle Khoo<sup>1</sup>



**Keywords:** Gender quotas, women, political representation

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## ABSTRACT

*Do gender quotas help or hinder women's symbolic representation in the political arena? By comparing over 37,000 responses to the question "Men make better political leaders than women do" across 12 countries before and after the presence of parliamentary gender quotas (if any), we can identify the correlation between the implementation of gender quotas and the perception of women's suitability as political leaders, as well as which type of gender quota is more correlated with the differences in perception, by using a difference-in-differences estimator.*

*We find that gender quotas are related to an increase of about 10-15 per cent in the proportion of people who believe women are at least as good political leaders as men. Comparatively, the presence of gender quotas that are mandated by constitution or electoral laws*

*more strongly correlates with differences in perception than the presence of gender quotas that are voluntarily set by political parties (15 per cent versus 9 per cent improvement respectively). The results have an implication on the potential role of gender quota systems in overcoming stereotypes among the general public, as the top-down effect of legal quotas is related to substantial positive changes in perceptions towards women as political leaders irrespective of bottom-up changes in cultural attitudes towards women.*

## INTRODUCTION

Women constitute only 20.4 per cent of the members of parliaments around the world (Dahlerup, 2014). The incorporation of women's concerns in decision-making is assumed to improve the nature of the public sphere (Chen, 2010). There are many arguments supporting women's presence in political bodies. Besides the direct influence of an increase

<sup>1</sup> Lili Li is PhD Student at the Lee Kuan Yew School of Public Policy; Michelle Khoo is MPP valedictorian 2015 at the Lee Kuan Yew School of Public Policy

in women's representation, it is also expected to indirectly increase men's attention to policies concerning women and children (Chen, 2010, p. 13). A larger women's presence can also be justified if elected women are more skilled and can have better performances than their male counterparts (Baltrunaite et al. 2014). However, women face both formal and informal barriers in rising to political office. Those that do tend to face additional stress due to isolation or pressures to represent women's concerns. Even if women are equally qualified as men, their qualifications may be downgraded and minimized in a male-dominated political system (Dahlerup, 2014).

Given the slow pace of change in encouraging more gender-balanced political institutions, gender quotas in public elections have been used in all major world regions to increase the proportion of female legislators in office. Quota systems ensure that women constitute a certain number or percentage, typically 30 – 40 per cent, of the members of a body, be it a candidate list, parliamentary assembly, committee, or a government (Chen, 2010, p. 13). A number of studies show that under some conditions, gender quotas are a more efficient means of increasing the number of female legislators, as compared with other measures (Tripp and Kang, 2008). There was a wave of establishments of electoral gender quotas in the 1990s, especially in developing countries, mainly due to the influence of the UN Conference on Women held in Beijing in 1995 (Chen, 2010, p. 13). Gender quotas are often intended to be temporary, put in place until discriminatory perceptions and structural barriers are removed. Hence, gender quota systems are assumed to lead to a shift in public perception of the value that women representation brings, by giving women a fair opportunity in public office to build their track record and presence. However, opponents of gender quotas contend that quotas work against women by creating a negative perception that women are elected merely because of their gender, not their qualifications.

Using mass survey data in 12 countries collected by the World Values Survey, we examine whether the presence of gender quotas is positively related to public perception of women as political leaders.

## **GENDER QUOTAS AND WOMEN'S REPRESENTATION**

Gender quota systems can be largely classified into two major types: voluntary party quotas and legal gender quotas. The former are voluntarily set and complied with by the political parties themselves. The latter are mandated either by constitution or electoral law, obliging all political entities participating in elections to apply them equally (Beaman et al., 2012). These two types of quotas can be further subdivided into various sub-types. Voluntary party quotas can be divided into aspirant quotas that affect the pool of potential candidates in the pre-selection processes and candidate quotas that require political parties to nominate a certain proportion of women as candidates (Dahlerup, 2006, p.21). For legal quotas, a distinction can be made between quotas instituted by changing electoral laws and those established through constitutional change (Dahlerup, 2006; Franceschet, Krook, and Piscopo, 2012). Another common type of gender quotas is the reservation of a minimum number of seats for elected female legislators (Krook, 2009). However, disputes continue as to whether reserved seats can be seen as electoral gender quotas (Dahlerup, 2006, p.20).



The effects of gender quotas on political representation are a focus of the literature on gender and politics. Women's political representation can be divided into descriptive representation, substantive representation, and symbolic representation (Franceschet, Krook, and Piscopo, 2012). Studies on the three topics separately address reasons accounting for variations in women's political presence across countries, whether female legislators can best represent women's policy concerns, and how women's political presence affects voters' perceptions and opinions.

Affirmative action measures like gender quotas have far-reaching effects on women's political representation, apart from a numerical increase in women's political presence. It has been held that gender quotas affect all three types of women's representation. Proponents of gender quota systems argue that exposure to own-gender experts provides women with role models, breaks stereotypes regarding gender roles, improves individual women's aspirations and propensity to enter traditionally male-dominated areas, and generates more advocacy for women in particular policy areas (Beaman et al., 2012; Xydias, 2014; Bonomi, Brosio, and Di Tommaso 2013). In terms of symbolic representation, a few studies show that gender quotas have cultural and social effects that facilitate greater representation of women, such as increased respect of elected women from community members and family (Burnet, 2011). However, other studies offer insights into the limitations or negative effects of gender quotas. For example, although evidence suggests that gender quotas increase the proportion of women in political office, women that are elected tend to have ties to powerful men that may be not keen on changing the status quo of policies concerning women (Bird, 2003). Some studies show that gender quotas have no significant effects on women's descriptive representation (Josefsson, 2014), or substantive representation in pursuit of women's interests (Walsh, 2012; Zetterberg, 2014). Additionally, opponents of quotas suggest that gender quotas lead to increased repression of women's political skills and have no significant effect on women's political ambitions (Kolinsky 1991).

Studies on how gender quotas affect women's symbolic representation are less common relative to studies analyzing women's descriptive and substantive representation (Franceschet, Krook, and Piscopo 2012), in large part because the impact of gender quotas on symbolic representation is not as tangible. In order to study what gender quotas symbolize for mass publics, the changes and trends in their attitudes need to be measured or tracked. It is expected that gender quotas make citizens confident in what women can achieve and accept women as qualified political leaders. Another set of studies on symbolic meanings of quotas focus on attitudinal and behavioral shifts of political elites. Surveys and interviews on public opinions or attitudes regarding elected women are the commonly used methods to obtain empirical data revealing the symbolic meanings of quotas (Burnet, 2011; Beaman, Pande, and Cirone, 2012; Meier, 2012; Zetterberg, 2012, 2014).

In addition, the literature on the effects of gender quotas points out that factors beyond the existence of gender quotas can lead to the observed effects. Confounding factors include election procedures (Meier and Lombardo, 2013; Josefsson, 2014), quota designs (Franceschet, Krook, and Piscopo, 2012), political institutions and context (Krook, Lovenduski, and Squires, 2009), sex (women or men) that affect perceptions of quotas (Meier, 2012) and learning over time (Verge 2010).

In the current study, we investigate the relationship between the presence of gender quotas and women's symbolic representation that is measured by the perception of women's suitability as political leaders, which contributes to the limited empirical literature on symbolic meanings of gender quotas. We do not address the causality between the two variables, because we cannot establish the temporal precedence of the presence of gender quota system over change in perception of women's suitability as political leaders. To get empirical evidence on the relationship, we compare the World Values Survey (WVS) responses to the statement "Men make better political leaders than women do" in two time periods: one before and one after the presence of gender quotas. This outcome variable directly measures people's perception of women's suitability as political leadership vis-à-vis men's suitability. We then examine if one type of quota has a greater relationship than the other with differences in the perception of women as political leaders.

## EVALUATION METHODOLOGY AND DATA

### *Data Description*

The dataset contains over 37,000 observations from 12 countries in Europe, the Americas and Asia, including five countries that introduced gender quotas during the period 1997 – 2004 (treatment group), and seven countries with no gender quotas (control group). Two of the five countries in the treatment group adopted legal quotas while the remaining three adopted party quotas. A summary is provided in Table 1.

**Table 1: Summary of observations by country, wave and quota type**

Country/region	No. of observations		Type of Quota	
	1994-1999	2005-2007	Total	(Year of Adoption)
<b>Treatment: Quota Group (5 countries)</b>				
Moldova	984	1,046	2,030	Party (2004)
Peru	1,211	1,500	2,711	Legal (1997)
Poland	1,153	1,000	2,153	Party (2001)
Romania	1,239	1,776	3,015	Party (2001)
South Korea	1,249	1,200	2,449	Legal (2004)
<b>Control: Non-Quota Group (7 countries)</b>				
Bulgaria	1,072	1,001	2,073	
Colombia	2,996	3,025	6,021	
Georgia	2,008	1,500	3,508	
Russian Federation	2,040	2,033	4,073	
Turkey	1,907	1,346	3,253	
Ukraine	2,811	1,000	3,811	
United States	1,542	1,249	2,791	

The dataset is taken from 1994 – 1999 (pre-quota phase) and 2005 – 2007 (post-quota phase) waves of the World Values Survey (refer to Figure 6 for a description of and rationale for the variables used in this analysis). Additional country-level data on the type of quota and year adopted, real GDP per capita, and women's representation in parliament in the year of survey of the respective waves were obtained from Chen (2010), the World Bank, and the Inter-Parliamentary Union's Statistical Archives of Women in Parliaments, respectively.

### **Evaluation Methodology**

We apply a Difference-in-Differences (DID) approach to investigate the relationship between the gender quota systems and the perception of women as political leaders. As there may be substantial cultural and contextual differences between countries, a DID approach allows us to control for these differences and isolate, as best as possible, the effect of gender quotas. Still, we are not addressing a causal relationship because of the aforementioned endogeneity concern.

*We consider the following empirical specification:*

$$\mathbf{Perception}_{i,t} = \beta_0 + \beta_1 \mathbf{Quota}_{i,t} + \beta_2 \mathbf{Post}_{i,t} + \beta_3 \mathbf{Quota}_{i,t} * \mathbf{Post}_{i,t} + \beta_4 \mathbf{X}_{i,t} + \varepsilon_i$$

Where **Perception**<sub>*i,t*</sub> is the binary outcome variable (1 if respondents disagree or strongly disagree with the statement 'men make better political leaders than women do', 0 if otherwise), **Quota**<sub>*i,t*</sub> is the binary treatment variable (1 if a gender quota is introduced during the period, 0 if no gender quota was in place), and **Post**<sub>*i,t*</sub> is the binary time variable (1 if post-quota phase (2005 – 2007), 0 if pre-quota phase (1994 – 1999)).  $\beta_3$  captures the post-effect of gender quotas on the outcome variable.  $\mathbf{X}_{i,t}$  is the set of control variables.

Because of the binary nature of the outcome variable, we adopt a logit regression analysis. In Model 1, we run the analysis without covariates, controlling for country fixed effects. In Model 2, we include individual-level covariates such as political interest, life satisfaction, cultural attitudes towards women, and demographic characteristics which may affect the outcome variable (refer to **Hata! Başvuru kaynağı bulunamadı.** for detailed description of covariates).

For robustness checks, we run a model without country fixed effects (Model 3), and another model with country fixed effects that include country-level covariates such as the length of time elapsed since the quota was introduced and the survey year, GDP per capita (more developed countries may emphasize gender equality more), whether a female head of state or government came into power (which may have an effect on gender quota system), and the actual change in women's representation in the lower house of parliament (Model 4). Finally, we examine the variation of the results over different types of quotas. Model 5 compares differences of perceptions with the presence of party quotas and legal quotas, controlling for country fixed effects. Model 6 is a similar model but includes individual-level covariates.

## FINDINGS

### *Relationship between Gender Quotas and Women's Representation*

In the pre-quota phase, the average percentage of respondents who have a positive perception of women as political leaders in the quota group (QG) was 39.5 per cent, slightly lower than the non-quota group (NQG) with 41.9 per cent (refer to Table 2). The median GDP per capita (PPP) was \$6,733 for the QG and \$6,822 for the NQG. The average percentage of women in the lower parliament was 7.8 per cent in the QG and 8.2 per cent in the NQG (refer to Table 3).

**Table 2: Percentage of sample population that have a positive perception of women as political leaders**

	Pre-quota Phase	Post-quota Phase	Total
<b>NQG</b>	41.9%	50.7%	45.8%
<b>QG</b>	39.5%	52.8%	46.6%
<b>Total</b>	41.2%	51.5%	46.0%

**Table 3: Country Data**

Country/ region	GDP per Capita		% women in lower parliament		Woman Head of State or Government	
	Pre- Quota	Post- Quota	Pre- Quota	Post- Quota	Pre- Quota	Post- Quota
<b>Treatment: Quota Group (5 countries)</b>						
Moldova	1,755	2,482	4.8	21.8		
Peru	5,334	7,916	10.8	29.2		Beatriz Merino, Prime Minister (2003)
Poland	10,221	13,784	13.0	20.4	Hanna Suchocka, Prime Minister, (1992-93)	
Romania	6,733	9,524	7.3	11.2		
South Korea	16,704	22,783	3.0	13.4		
<b>Average</b>	<b>8,150</b>	<b>11,298</b>	<b>7.8</b>	<b>19.2</b>		
<b>Median</b>	<b>6,733</b>	<b>9,524</b>	<b>7.3</b>	<b>20.4</b>		

<b>Control: Non-Quota Group (7 countries)</b>				
Bulgaria	6,185	10,502	10.8	21.7
Colombia	6,822	7,280	11.8	12.1
Georgia	2,006	4,516	6.9	9.4
Russian Federation	7,851	12,878	10.2	9.8
Turkey	9,263	12,577	2.4	9.1
Ukraine	3,540	6,032	3.8	8.7
United States	35,112	45,059	11.7	16.3
<b>Average</b>	<b>10,111</b>	<b>14,121</b>	<b>8.2</b>	<b>12.4</b>
<b>Median</b>	<b>6,822</b>	<b>10,502</b>	<b>10.2</b>	<b>9.8</b>

Nino Burjanadze, Acting President, (2003-04/07-08)

Tansu Ciller, Prime Minister, (1993-96)

Yulia Tymoshenko, Prime Minister, (2005/2007-10)

The relationship between gender quotas and the perception of women as political leaders is reported Table 4. In Model 1, controlling for country fixed effects, there is a positive relationship between the presence of gender quotas and the difference in perception that 'men make better political leaders' at a 1 per cent significance level. Notably, the magnitude is also large, with an increase of 1.317 in the odds that someone would perceive women as equal or better than men, or a 13.7 per cent increase in the probability that someone would perceive so with the presence of gender quotas (refer to Table 2 in appendix). In Model 2, which includes covariates, the relationship is still positive and significant, albeit with a smaller magnitude of a 1.230 increase in odds, or 10.3 per cent increase in probability. The other factors that are significantly correlated with the perception of women are cultural attitudes towards women (such as whether men or women should be given priority in jobs and university or the confidence in the women's movement); gender (not surprisingly, women are more inclined to have a more positive perception); and other demographic characteristics (younger, more highly educated respondents are likely to have a more positive perception, while social class was generally positively correlated with perception except in the upper class (refer to Table 5). Other factors such as political interest, importance of politics in the respondent's life, life satisfaction, number of children and marital status are

not significantly correlated with perception of women. The Pseudo R2 for Model 2 is also much higher, at 14.8 per cent, compared to only 8.2 per cent for Model 1, hence Model 2 better describes the effects of various factors on perception.

**Table 4: The relationship between gender quotas and the perception of women as political leaders**

perception	Model 1	Model 2	Model 3	Model 4
quota	-1.491 (0.062)**	-1.170 (0.091)**	-0.098 (0.032)**	-1.151 (0.049)**
post	0.299 (0.027)**	0.232 (0.052)**	0.357 (0.025)**	0.315 (0.027)**
postquota	0.275 (0.047)**	0.207 (0.075)**	0.182 (0.044)**	0.235 (0.047)**
politics		0.023 (0.019)		
polinterest		0.017 (0.020)		
lifesat		-0.012 (0.007)		
jobgender		0.753 (0.037)**		
unigender		0.496 (0.020)**		
wmoveconfidence		0.107 (0.017)**		
sex		0.455 (0.031)**		
age		-0.005 (0.001)**		
children		-0.010 (0.012)		
married		-0.015 (0.034)		
highedu		0.061 (0.008)**		
socialclass		-0.055 (0.019)**		

duration				0.193 (0.007)**
GDPpre				0.000 (0.000)**
GDPpost				-0.000 (0.000)**
wleaderchange				-0.296 (0.034)**
wpctchange				0.019 (0.003)**
_cons	0.562 (0.042)**	-2.434 (0.154)**	-0.327 (0.017)**	-0.223 (0.028)**
<i>N</i>	37,888	22,200	37,888	37,888
<i>Includes country fixed effects</i>	Y	Y	N	N
<i>Pseudo R2</i>	0.0823	0.1479	0.0080	0.0725

**Table 5: Perception of women as political leaders by treatment and social class**

	Social class					Total
	Lower Class	Working Class	Lower Middle Class	Upper Middle Class	Upper Class	
<b>QG</b>	35.7	41.9	44.5	48.1	44.7	43.4
<b>NQG</b>	38.9	48.7	46.8	49.0	38.5	46.8
<b>Total</b>	37.1	44.5	45.2	48.5	42.5	44.7

For robustness checks, we repeat the analysis without controlling for country fixed effects in Model 3. In Model 4, we include country-level covariates that have an effect on the outcome such as duration (the longer the gender quota has been in place, the greater the correlation with perception); GDP per capita both pre- and post-quota (which do not seem to have a directional relation with perception); whether a woman came into power as the head of state or government during the period (which has a significant relation with the perception of women); and the actual change in women's representation in parliament, a proxy for the effectiveness of the quota, which had a small but significant correlation with the perception. The relations between the presence of gender quotas and the perception of women in both the alternative models (Models 3 and 4) are still significant and positive, with a similar magnitude of about 1.2-1.3 increase in odds, or 9-12 per cent increase in probability.

### ***Types of Gender Quotas and Women's representation***

In Model 5, controlling for country fixed effects, party quotas and legal quotas both have a positive significant effect on perception. However, party quotas have a larger magnitude of effect, with a 1.355 increase in odds (15.1 per cent increase in probability) compared to legal quotas, with a 1.262 increase in odds (11.6 per cent increase in probability). Once covariates are included (Model 6), however, the conclusion is reversed; legal quotas have an almost 50 per cent larger magnitude of effect (1.344 increase in odds or 14.7 per cent increase in probability) compared to party quotas (1.194 increase in odds or 8.8 per cent increase in probability). A possible explanation for the result that legal quotas have a larger effect could be that party quotas, due to their voluntary nature, tend to reflect intra-party trends supporting women's empowerment, whereas legal quotas, because of their compulsory nature, tend to be more independent of these underlying party trends.

### **CONCLUSION AND POLICY IMPLICATIONS**

The results suggest that gender quotas have a significant, positive and large correlation with the perception of women's suitability as political leaders. While both legal and party quotas- are significantly correlated with differences in perceptions, legal quotas have a much greater correlation with perceptions than party quotas do. This emphasizes the potential role of gender quota systems in changing women's symbolic representation by overcoming stereotypes among the general public, as legal quotas are shown to be related with substantial positive changes in perceptions towards women as political leaders irrespective of changes in cultural attitudes towards women. Party quotas, on the other hand, tend to reflect already existing changes in attitudes towards women as political leaders, although they may also help to strengthen these trends.

This analysis may offer policy insights on the influence of gender quota systems beyond the political arena. Gender quota systems in the corporate world are less prevalent, with the first such quotas on women's representation on boards being introduced in Norway in 2008. Studies (in general) should be conducted to investigate the relationship between gender quota systems and the perceptions of women leadership in general.

### **DISCUSSION ON LIMITATIONS**

There are some limitations to this study because of the data sources used. Three out of the five countries in the treatment group are located in Central and Eastern Europe, hence the results may not be representative of other world regions. However, the use of the DID approach and the fact that results are also consistent in Peru and South Korea should hopefully address this concern. As the question of whether "Men make better political leaders than women do" was not asked in previous waves of the WVS, we are unable to show the relationship between the QG and NQG prior to the introduction of the quotas, hence unable to establish equal trends assumption of DID. However, as shown earlier, the QG and NQG were on average quite similar before the quotas were introduced. The data was not a panel data but a repeated cross section; hence the individuals involved in each wave of the survey are different. However, given the large number of observations in each



country, the sample population is assumed to be representative of the total population, and should be fairly stable over time. This analysis has also not considered the correlation under different levels of government (e.g. local versus national level) or qualitative factors such as whether women leaders were from politically influential families. This analysis focuses on perceptions of women political leaders; whether women political leaders have a positive effect on governance is beyond the scope of this paper. We investigate the correlation between gender quota systems and the perceptions of women as qualified political leaders in the current study because of the possible reverse causality between these two variables. Future research should seek to address this endogeneity concern.

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## APPENDIX

**Table 1: Description of variables used**

Type of data	Variable Name	Description	Data Source	
Outcome variable	<i>perception</i>	"Men make better political leaders than women do": Agree or strongly agree = 0, Disagree or strongly disagree = 1	WVS (recoded to binary variable)	
Treatment variable	<i>quota</i>	1 if gender quota introduced, 0 if none	Chen (2010)	
	<i>legalquota</i>	1 if legal gender quota introduced, 0 if none		
	<i>partyquota</i>	1 if party gender quota introduced, 0 if none		
Time variable	<i>post</i>	1 if post-quota period (2005-2007 wave), 0 if pre-quota period (1994 – 1999) wave	WVS	
Country-level variables	<i>duration</i>	Number of years from the year the quota was introduced to the post-quota year of survey	The World Bank	
	<i>GDPpre</i> <i>GDPpost</i>	GDP per capita, PPP (constant 2005 international \$) in pre-quota and post-quota year of survey, respectively		
	<i>wpctchange</i>	Percentage change in the proportion of women representation in the lower house of parliament between the 2 survey years		Interparliamentary Union
	<i>wleaderchange</i>	1 if a female head of state or government came into power between the 2 survey years		Online sources

Individual-level variables	<b>Different levels of interest in or importance placed on politics may affect responses to the outcome variable due to different levels of knowledge and passion about the issue</b>	WVS
<i>politics</i>	Importance of politics in life (Scale of 0 to 3: 3 if very important, 0 if not at all important)	
<i>polinterest</i>	Interest in politics (Scale of 0 to 3: 3 if very interested, 0 if not at all interested)	
	<b>Difference in life satisfaction may affect responses to the outcome variable. E.g. A higher life satisfaction may increase desire for the status quo (Men in charge)</b>	WVS
<i>lifesat</i>	Satisfaction with life (Scale of 1 to 10: 1 if dissatisfied, 10 if satisfied)	
	<b>Changes in cultural attitudes towards women may be an alternative cause of changes in the perception of women as political leaders, independent of gender quotas</b>	WVS
<i>jobgender</i>	When jobs are scarce, men should have more right to a job than women (1 if agree, 2 if disagree, 1.5 if neither)	
<i>unigender</i>	University is more important for a boy than for a girl (Scale of 1 to 4: 1 if strongly agree, 4 if strongly disagree)	
<i>wmove confidence</i>	Confidence in the women's movement (Scale of 0 to 3: 3 if a great deal, 0 if none at all)	

	<b>Demographic characteristics of the survey respondents may have an impact on the outcome variable. E.g. Females and the more highly educated may respond more favourably towards women</b>	WVS
<i>Sex</i>	Gender of respondent (1 if male, 2 if female)	
<i>Age</i>	Age of respondent	
<i>Children</i>	Number of children respondent has	
<i>Married</i>	Marital status of respondent (1 if married, 0 if not – including co-habiting, divorced, separated, widowed, single/never married)	
<i>Highedu</i>	Highest educational level attained (1 if did not complete elementary school, 2 if completed elementary school, 3 if incomplete secondary school, 4 if complete secondary school, 5 if incomplete pre-university, 6 if complete pre-university, 7 if incomplete university, 8 if university with degree)	
<i>Socialclass</i>	Subjective social class (5 if upper class, 4 if upper middle class, 3 if lower middle class, 2 if working class, 1 if lower class)	

**Table 2: Interpreting model coefficients as odds ratios and probabilities**

	$\beta_3$ (post quota coefficient)	post legalquota coefficient	post party quota coefficient	Odds Ratio ( $e^{\text{coefficient}}$ )	Predicted Probability of Perception = 1 (p)	Difference in Predicted Probabilities of Perception = 1 vs 0 (p - (1-p))
<b>Model 1</b>	0.275			1.317	56.8%	13.7%
<b>Model 2</b>	0.207			1.230	55.2%	10.3%
<b>Model 3</b>	0.182			1.200	54.5%	9.1%
<b>Model 4</b>	0.235			1.265	55.8%	11.7%
<b>Model 5a</b>		0.233		1.262	55.8%	11.6%
<b>Model 5b</b>			0.304	1.355	57.5%	15.1%
<b>Model 6a</b>		0.296		1.344	57.3%	14.7%
<b>Model 6b</b>			0.177	1.194	54.4%	8.8%

**Table 3: The relationship between different types of gender quotas and the perception of women as political leaders**

perception	Model 5	Model 6
legalquota	0.200 (0.068)**	0.382 (0.100)**
partyquota	-1.509 (0.065)**	-1.151 (0.093)**
post	0.299 (0.027)**	0.232 (0.052)**
postlegalquota	0.233 (0.066)**	0.296 (0.117)*
postpartyquota	0.304 (0.057)**	0.177 (0.081)*
politics		0.024 (0.019)

polinterest		0.018 (0.020)
lifesat		-0.012 (0.007)
jobgender		0.753 (0.037)**
unigender		0.496 (0.020)**
wmoveconfidence		0.106 (0.017)**
sex		0.455 (0.031)**
age		-0.005 (0.001)**
children		-0.010 (0.012)
married		-0.015 (0.034)
highedu		0.062 (0.008)**
socialclass		-0.055 (0.019)**
_cons	0.562 (0.042)**	-2.437 (0.154)**
<i>N</i>	37,888	22,200
<i>Includes country fixed effects</i>	Y	Y
Pseudo R2	0.0823	0.1479

\*  $p < 0.05$ ; \*\*  $p < 0.01$

## RESEARCH ARTICLE

# The U.S. Rebalance to the Asia-Pacific: An Assessment

Nguyen Thi Thuy Hang<sup>1</sup>



**Keywords:** U.S. rebalance, the Obama administration, the Asia-Pacific, China, the United States.

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## ABSTRACT

*President Obama's decision to refocus U.S. resources in the Asia-Pacific reflects a change in U.S. foreign policy priorities. It has been five years since the Asia-Pacific rebalance was officially announced. It is therefore time to assess this rebalance.*

*Employing a documentary research approach, this paper analyzes official U.S. documents and secondary sources to answer three concrete and interconnected questions: (i) How has the U.S. rebalance been implemented? (ii) What are the obstacles to the U.S. rebalance? and (iii) What should the U.S. do to truly succeed in carrying forward the rebalance? While the Obama administration has made some progress in expanding U.S. security, economic, diplomatic and cultural engagement in the Asia-Pacific, several obstacles remain. The paper concludes with some policy recommendations that*

*would help the U.S. government to fully realize the Asia-Pacific rebalance.*

## INTRODUCTION

In his 1967 article, "Asia after Vietnam", Richard Nixon expressed his idea of rebalancing U.S. foreign policy toward Asia to build a Pacific community. This rebalance implied a change in U.S. foreign policy priorities, moving the focus from the West to the East:

*Out of the wreckage of two world wars we forged a concept of an Atlantic community, within which a ravaged Europe was rebuilt and the westward advance of the Soviets contained. If tensions now strain that community, these are themselves a by-product of success. But history has its rhythms, and now the focus of both crisis and change is shifting. Without turning our backs on Europe, we have now to reach out westward to the East, and to fashion the sinews of a Pacific community (Nixon, 1967, p.113).*

<sup>1</sup> Nguyen Thi Thuy Hang is current doctoral student at the School of Global, Urban and Social Studies, The Royal Melbourne Institute of Technology (RMIT), Australia.



After Nixon was elected president in 1968, he considered rapprochement with China as an important dimension of U.S. foreign policy. The rhythm of history, in the newly elected President's view, had to be played in the East.

Four decades later, President Obama also saw the need for the U.S. to rebalance toward the Asia-Pacific. His administration has officially announced and implemented this policy since 2011. This paper aims to critically assess the U.S. rebalance by answering three concrete and interconnected questions: (i) How has the U.S. rebalance been implemented? (ii) What are the obstacles to the U.S. rebalance? and (iii) What should the U.S. do to truly succeed in carrying forward the rebalance?

In order to offer a critical evaluation of the Obama administration's rebalance to the Asia-Pacific, the study examines a variety of U.S. government documents and secondary literature. These sources of data are best analyzed through a documentary research approach, which allows the author to identify the main themes in text-rich documents (Bryman & Burgess, 1994, p. xix). The geographic focus of this study is the Asia-Pacific, including East Asia, South Asia, Southeast Asia, and Oceania, and the time frame is from 2011 to the first half of 2015. Numerous administration documents during this period mentioned the U.S. rebalance to the Asia-Pacific. In this study, I selected seven official documents that were released between 2011 and 2014 during the Obama's administration. These documents highlighted the objectives of the U.S. rebalance in their contents. Using a qualitative approach, the study seeks to identify how the main objectives of the U.S. rebalance were defined.

After setting the stage with a discussion of the main objectives of the U.S. refocus on the Asia-Pacific, the study begins its in-depth exploration with a critical evaluation of the implementation of the U.S. rebalance in four key areas: security, economics, diplomacy and culture. These documents were selected based on thematic analysis. After the official announcements of the U.S. rebalance in 2011, various issues were raised on its implementation, and these were used as analytical themes for this study. Four main themes emerging from the analysis are security, economics, diplomacy and culture. This exploration continues with a descriptive analysis of the main challenges to the expansion of U.S. engagement in the region: the limits of U.S. power, U.S. allies' concerns and China's opposition. The study makes three policy recommendations that would help the U.S. overcome these challenges—to build domestic power, to reinforce alliances and partnerships, and to increase engagement with China—and outlines specific, practical examples to accomplish these goals.

## **THE ASIA-PACIFIC REBALANCE: OBJECTIVES**

In 2011, the Obama administration announced its foreign policy goal to intensify the already important role of the U.S. in the Asia-Pacific. President Obama's decision to rebalance U.S. resources toward and within this crucially important region is based on the argument that U.S. power and interests are historically intertwined with the Asia-Pacific's socio-economic, political, and security order. Among documents officially stated the objectives of the U.S. rebalance to the Asia-Pacific between 2011 and 2014, seven ones are

selected for this study (Table 1). A careful reading of these official statements shows how the objectives of the U.S. rebalance to the Asia-Pacific were defined.

**Table 1: U.S. official statements of the Asia-Pacific rebalance (2011-2014)**

Date	What	By Whom
October 2011	Foreign Policy article: America's Pacific Century	Secretary of State Hillary Clinton
November 2011	Address to the Australian Parliament	President Barack Obama
December 2012	Remarks on President Obama's Asia policy	National Security Advisor Thomas Donilon
March 2013	Speech at Asia Society, New York	National Security Advisor Thomas Donilon
November 2013	Speech at Georgetown University	National Security Advisor Susan Rice
December 2013	The Fact Sheet: The East Asia-Pacific Rebalancing: Expanding U.S. Engagement	The State Department
November 2014	Speech at the University of Queensland on the sidelines of the G20 Summit in Brisbane	President Barack Obama

In 2011, Secretary of State Hillary Clinton's article in *Foreign Policy*, titled "America's Pacific Century," was the first official announcement of the U.S. rebalance to the Asia-Pacific. Clinton explained the reasons for the Obama administration's reallocation of resources: to place the U.S. in the best position to maintain U.S. leadership, to protect U.S. interests, and to promote U.S. values (Clinton, 2011). Clinton stated that the Asia-Pacific was chosen as the focus of the U.S. rebalance because a more mature security and economic architecture is currently being built in the region and thus it is crucial for the U.S. to make a commitment there (Clinton, 2011). Clinton set forth six lines of action for the United States' strategic refocus on the region: (i) Fostering bilateral security alliances; (ii) Intensifying working relationships with emerging regional powers, including with China; (iii) Participating in regional multilateral institutions; (iv) Boosting trade and investment; (v) Increasing its military presence; and (vi) Spreading democracy and human dignity (Clinton, 2011). This strategic refocus on the Asia-Pacific was also outlined in President Barack Obama's speech at the Australian Parliament in November 2011. Obama reaffirmed the need for the U.S. to adapt to this rapidly changing region. He underlined that the U.S. rebalance to the Asia-Pacific aims to promote peace, prosperity and human rights in the region (Obama, 2011).

In 2012, National Security Advisor Thomas Donilon's remarks on President Obama's Asia policy stated that the objectives of the Asia-Pacific rebalance are summarized in three themes: economics, security and leadership. Economically, strong U.S. trade and investment in the Asia-Pacific remain crucial for the U.S. economic recovery and long-

term economic might. Regarding security, U.S. military presence is vital to the region. The U.S. security commitments to its allies and partners in the Asia-Pacific help to ensure stability in the region. Regarding leadership, there has been a demand for U.S. leadership from various nations in the Asia-Pacific. The U.S. has a significant role in solving disputes, promoting human rights, providing humanitarian assistance and developing sustainable energy. According to Donilon, these objectives can be achieved by pursuing five lines of efforts: (i) Strengthening and modernizing U.S. security alliances across the region; (ii) Deepening partnerships with emerging powers; (iii) Engaging more deeply in global and regional institutions; (iv) Pursuing a stable and constructive relationship with China; and (v) Advancing the Asia-Pacific economic architecture (Donilon, 2012).

In 2013, more rebalance statements were made by the Obama administration. Three stood out. The first was Donilon's speech at the Asia Society in March, where Donilon reaffirmed the importance of the "five distinctive lines of efforts" stated in 2012 (Donilon, 2013). Donilon's "five distinctive lines of efforts" were consistent with Clinton's "six lines of action", though there were four differences. In Donilon's speeches, the role of the U.S. military presence in the region was downplayed; China was separated from other emerging powers; more importance was placed on stable and constructive relations between the U.S. and China; and human rights and democracy was barely mentioned. Indeed, the U.S. rebalance to the Asia-Pacific was articulated with some changes. The second Obama administration desired to focus more on stability and prosperity.

The next statement was given at Georgetown University in November, at which point Susan Rice had replaced Donilon as the National Security Advisor. Rice underlined that the Asia-Pacific rebalance remained critical to U.S. foreign policy and the U.S. would continue to deepen its commitment to the region (Rice, 2013). She added that the U.S. is seeking to lay the foundation for advancement in security, prosperity, democracy and human rights (Rice, 2013). Rice placed more emphasis on democracy and human rights and made particular mention of institutions, partnerships, and China. Rice's speech therefore was seen as a departure from Clinton's six lines of action and Donilon's five lines of efforts.

The third 2013 statement was "The Fact Sheet: The East Asia-Pacific Rebalancing: Expanding U.S. Engagement," issued by the State Department in December. It stated seven key objectives of the U.S. rebalance: (i) Reinforcing U.S. alliances; (ii) Building up relations with emerging partners; (iii) Assisting to improve regional institutions; (iv) Expanding economic activities, (v) Making sure that U.S. military presence in the region would contribute to overall U.S. engagement; (vi) Supporting democracy, good governance, and human dignity; and (vii) Broadening non-governmental relations ("The Fact Sheet: The East Asia-Pacific," 2013). This statement added a new objective—broadening non-governmental relations or expanding people-to-people ties—and thus highlighted the importance of people-to-people exchanges between the U.S. and regional countries.

In 2014, the important document describing the objectives of the U.S. rebalance was President Obama's November speech at the University of Queensland, Australia. In this speech, Obama made it clear that the U.S. would continue to increase its engagement with the Asia-Pacific by strengthening diplomatic ties; expanding economic activities, military

presence, and development assistance; and promoting U.S. values and beliefs (Obama, 2014). This engagement would help to ensure security, economic growth and democracy in the Asia-Pacific.

The main rebalance statements made by the Obama administration from 2011 to 2014 stressed the rebalance as a significant dimension of U.S. foreign policy. The highlighted objectives include ensuring security, advancing prosperity and promoting human rights. When comparing these rebalance statements, we see that at different points of time some changes were made. This creates the feeling that there was some inconsistency about the rebalance's objectives. Yet the overall impression is that the rebalance is underpinned by strong military presence, active economic engagement and institution building. The rebalance aims to bring mutual benefits to the region. In 2013, Joseph Yun, Acting Assistant Secretary of State, Bureau of East Asian and Pacific Affairs, once asserted that by increasing U.S. engagement in the region, the U.S. can create more jobs for Americans, make the U.S. safer and expand U.S. values (Yun, 2013). For the Asia-Pacific, the rebalance helps to enhance regional stability and prosperity (Yun, 2013).

## **THE ASIA-PACIFIC REBALANCE: VISIBLE IMPLEMENTATION**

In order to assess how the Asia-Pacific rebalance has been implemented to achieve its objectives, this section examines the Obama administration's engagement in the region. This examination shows that the strategy behind the Asia-Pacific rebalance has brought the Obama administration certain successes. By increasing its military presence and its economic, diplomatic and cultural activities in the region, the Obama administration has demonstrated its serious commitment to reallocate U.S. resources towards the Asia-Pacific. Tangible evidence of U.S. deepening and broadening engagement with the region can be seen in four key areas: security, economics, diplomacy and culture.

### ***Security Engagement***

The Obama administration has considered expanding U.S. security engagement in the region to be a crucial facet of the U.S. rebalance and has held that the U.S. must invest time and energy in capabilities vital to the future success of security engagement ("Sustaining U.S. Global Leadership," 2012, p.3). Washington's determination to increase the U.S. military presence can be seen in the deployment of more troops, ships, marines and aircraft in the region (Yun, 2013).

In the four years after the rebalance was announced, the number of U.S. troops in the Asia-Pacific increased by 22,000, to 266,000 (Olson, 2015). The U.S. Navy in the region was strengthened with two additional destroyers sent to Japan and a second littoral combat ship to Singapore (Olson, 2015), and the U.S. was moving more of its Navy to the Pacific Ocean than to the Atlantic Ocean. Deputy Secretary of Defense Ash Carter made it clear that in coming years, the ratio of U.S. naval deployment between the Pacific Ocean and the Atlantic Ocean will be 60:40 and it may continue to increase (Carter, 2012). Despite substantial budget cuts, the U.S. is expanding its naval presence in the region with new ships and hi-tech weaponry (Greenert, 2013). Among the U.S. Navy's 283 ships, 101 are

being deployed—52 of which are stationed in the Pacific Ocean (Greenert, 2013). In order to foster U.S. naval strength in the region, the Defense Department will deploy 62 ships there by 2020 (Greenert, 2013). The Marine Corps increased its power by creating a Marine Rotational Force in Darwin, Australia, which deployed 1,150 Marines (Greenert, 2013). There was also a considerable increase in U.S. air power in the Asia-Pacific, from 416 to 630 Marine Corps aircraft (Olson, 2015).

The steadily expanding U.S. military presence in the Asia-Pacific represents a crucial component of the Obama administration's strategic rebalance, and further exemplifies the significance the Obama administration has placed on the Asia-Pacific. Public opinion towards this increased military power and presence in the region differs from nation to nation. Some treaty partners openly welcome U.S. security engagement, while other countries are more wary. However, the general attitudes are enthusiastic, as the U.S. military presence ensures a degree of stability and security that allows governments in the region to focus their resources on socio-economic development (Keating, 2011).

### ***Economic Engagement***

Asia has experienced phenomenal economic growth. Its economic dynamism provides the foundation for prosperity across the region, and thus for the stability and legitimacy of the national governments. Asia's massive market presents significant opportunities for the U.S., which is still struggling with the consequences of the global financial crisis. The growing U.S. economic engagement in Asia can be seen in an increase in U.S. trade with Asia from 2008 to present (Table 2). U.S. trade with Asia was much higher than that with Africa and Europe.

Table 2: U.S. trade with Africa, Europe and Asia from 2008 to January- June/ 2015 (U.S. \$ million)

	2008	2009	2010	2011	2012	2013	2014	January- June /2015
<b>Africa</b>	141,888	86,733	113,348	125,892	99,542	85,304	72,666	26,604
<b>Europe</b>	760,200	589,277	667,476	778,074	785,017	787,197	824,479	166,605
<b>Asia</b>	1,184,476	951,970	1,183,488	1,778,461	1,423,061	1,448,033	1,495,131	718,776

Source: Adapted from the data released by the U.S. Census Bureau, retrieved July 12, 2015, from <https://www.census.gov/foreign-trade/balance>

One of the most evident manifestations of the Obama administration's enhancing economic ties with the Asia-Pacific is the Trans-Pacific Partnership (TPP), a trade agreement among 12 Pacific Rim countries (Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam). This agreement aims to increase trade and investment, promote economic development and create jobs among the TPP partner countries. The TPP has been one of the Obama administration's top trade priorities, and the administration's efforts to push through negotiations on the agreement highlights the administration's continued focus on the Asia-Pacific. National Security

Advisor Susan Rice once stated that the TPP is “a focal point” of U.S. efforts to create a high-standard regional trading environment (Rice, 2014). The partners completed negotiations on the TPP on October 5, 2015 (though it still must be ratified by partner countries). The successful conclusion of this landmark trade agreement, which covers more than 40% of global GDP, will serve as a springboard for the expansion of economic ties with Asia, and will certainly increase economic interdependence between the U.S. and the Asia-Pacific region. Enhancing U.S. trade and investment links with Asia is fundamental to U.S. efforts to penetrate these large and growing markets, to increase exports to Asia, and to create more jobs for Americans. In 2013, U.S. goods exports to TPP countries were US \$698 billion, accounting for 44% of total U.S. goods exports (“Overview of the Trans-Pacific Partnership,” 2013). U.S. agricultural exports to TPP countries amounted to US \$58.8 billion, 85% of total agricultural exports (“Overview of the Trans-Pacific Partnership,” 2013). And in 2012, U.S. private services exports to these countries were US \$172 billion, 27% of its total private services exports (“Overview of the Trans-Pacific Partnership,” 2013).

Along with expanding multilateral trade relations through the TPP, the Obama administration has also sought to deepen bilateral trade relations with individual Asian countries. For example, in 2011 the Obama administration obtained Congressional ratification of the U.S.-South Korea Free Trade Agreement (KORUS FTA). This free trade agreement, which came into force on March 15, 2012, is the second-largest U.S. free trade agreement after the North American Free Trade Agreement, and has been expected to bring substantial economic benefits to both the U.S. and South Korea. In 2013, South Korea became the sixth-largest goods trading partner of the U.S.; the U.S. was South Korea’s second-largest trading partner (Williams, Manyin, Jurenas & Patzer, 2014, p.5). Trade and investment ties between the U.S. and South Korea have substantially strengthened and deepened since 2011: Goods and services trade between the two nations increased from \$126.5 billion in 2011 to \$145.2 billion in 2014 (“Fact Sheet: U.S.-Korea,” 2015). Given South Korea’s prominent position in East Asia, the agreement has the potential to serve as a platform for the U.S. to expand its trade and investment relationship with the regional economy. The shared economic goals for the region and joint work on the KORUS FTA provide the United States and South Korea a firm base for strengthened cooperation and collaboration on global and regional economic issues (Hirsh, 2015).

In addition to these multilateral and bilateral trade and investment agreements, U.S. foreign aid (based on economic assistance) to the Asia-Pacific rose steadily from 2008 to 2011 before declining in 2012, 2013 and 2014. As shown in Table 3, the total amount of U.S. foreign aid to East Asia & Oceania (1) and South & Central Asia (2) gradually increased over four years (2008 to 2011). Though there was a downward trend in U.S. foreign aid from 2012, the total amount of U.S. foreign aid to East Asia & Oceania and South & Central Asia remained higher than U.S. foreign aid to the Middle East or North Africa. During this time period, U.S. direct investment to the Asia-Pacific was also on the rise, increasing from US \$591 billion in 2011 to US \$651 billion in 2012 and US \$695 billion in 2013 (Ibarra-Caton, 2014).

**Table 3: U.S. foreign aid from 2008 to 2014 (US \$billion) (based on economic assistance)**

	East Asia & Oceania (1)	South & Central Asia (2)	Total (1) + (2)	Middle East and North Africa	Western Hemisphere
<b>2014</b>	1.3	3.1	4.4	3.3	1.9
<b>2013</b>	1.3	3.5	4.6	4.0	1.2
<b>2012</b>	1.2	4.5	5.7	3.1	2.6
<b>2011</b>	1.3	5.3	6.6	3.4	2.9
<b>2010</b>	1.0	5.0	6.0	3.9	3.1
<b>2009</b>	1.1	3.7	4.8	5.8	2.0
<b>2008</b>	1.1	2.9	4.0	5.3	1.9

Source: Adapted from the Data Released by USAID, retrieved July 10, 2015 from <https://explorer.usaid.gov/aid-dashboard.html#2014>

These figures vividly reflect the Obama administration's efforts to increase economic engagement with the Asia-Pacific. U.S. allies and partners in the region hold that deepening economic engagement in the Asia-Pacific makes a considerable contribution to sustaining U.S. influence and a leading role in the region (Schott, Kotschwar & Muir, 2013).

### ***Diplomatic Engagement***

In terms of diplomacy, the Obama administration has shown that high-level diplomatic activities are an important component of the U.S. rebalance. President Obama had visited Asia six times thus far in his presidency. In his sixth trip to the region, Obama travelled to Beijing for the Asia-Pacific Economic Cooperation Leaders Meeting; to Nay Pyi Taw and Rangoon, Burma for the East Asia Summit and the U.S.-ASEAN Summit; and to Brisbane, Australia for the G20 summit ("The President's Trip," 2014). Secretary of State Hillary Clinton had travelled to Asia 14 times, visiting virtually all nations across the Asia-Pacific and all ASEAN member states. U.S. Secretaries of Defense Robert Gates and Leon Panetta visited Asia 13 times during Obama's first term, and National Security Advisor Thomas Donilon, Chairmen of the Joint Chiefs of Staff Admiral Michael Mullen and General Martin Dempsey, and several chiefs of the U.S. military services also made regular visits to the region. Apart from these high-level visits, in 2009 President Obama appointed the first U.S. Ambassador for ASEAN Affairs and in 2011 he appointed the first resident U.S. Ambassador to ASEAN (Hachigian, 2015). The United States regularly participates in key regional meetings such as the East Asia Summit and the ASEAN Regional Forum meeting. The U.S.'s increased involvement in regional institutions (such as signing the ASEAN Treaty of Amity and Cooperation) illustrates that the Asia-Pacific rebalance emphasizes multilateralism and regionalism ("East Asian and Pacific Affairs," 2015). All of these activities help to reverse the perception that U.S. leaders seem to ignore the Asia-Pacific, as they are not frequent visitors to the region (Sambaugh, 2013).

## ***Cultural Engagement***

The U.S. has expanded its cultural engagement in the region through the American Centers. The American Centers, open to the general public free of charge, regularly organize events and activities to further regional understanding of U.S. politics, economics, history, arts, language and culture. For example, the American Center in Vietnam announced the establishment of the American Studies Forum in 2012. Since then, the American Studies Forum has helped Vietnamese citizens to easily obtain updated information about all aspects of the U.S.

Education has been a major element of U.S. cultural engagement with Asia, and the U.S. has a long history of supporting modern universities and schools in the region. U.S. universities have trained generations of Asians—including public and private sector leaders—in a wide range of fields. According to data released by the Institute of International Education, the number of Asian students in U.S. higher education in the 2013/2014 academic year rose by 8% (Witherell & Clayton, 2014). Much of this increase was driven by China, especially at the undergraduate level: the total number of Chinese students increased more than 17% from the previous year, to more than 274,000, while the number of Chinese undergraduates grew by 18% (Witherell & Clayton, 2014). Chinese students made up 31% of all international students in the U.S. Indian enrolment also rose by 6%, to 102,673, after three years of decline (Witherell & Clayton, 2014).

The Fulbright Program, including the Fulbright Scholar Program, Fulbright Student Program, Fulbright Specialist Program, and Fulbright Visiting Scholar Program, has contributed considerably to the exchange of professors, scholars, students and specialists between Asia and the U.S. The recently launched Young Southeast Asian Leaders Initiative (initiated by President Obama in 2013) is expected to train ASEAN's bright men and women to become future leaders. Indeed, U.S. cultural engagement with Asia continues to be broadened and deepened. In the long run, this will certainly contribute to enhancing the influence of U.S. culture in the Asia-Pacific.

## **OBSTACLES TO U.S. PRESENCE IN THE ASIA-PACIFIC**

Even with a surging investment of time and energy into the Asia-Pacific and certain policy successes, as discussed in the previous section, the Obama administration has encountered several obstacles in the implementation of the rebalance. The major challenges to the U.S. presence in the Asia-Pacific are the limits of U.S. military and economic resources, U.S. allies' concerns about sovereignty, and Chinese opposition to increasing U.S. engagement in the region.

### ***The Limits of U.S. Military and Economic Resources***

The Obama administration's rebalance has raised concerns about the cost to the United States. Skepticism about the effective implementation of the rebalance has increased when the U.S. economy is in disarray and U.S. military forces are engaged in continuing chaos in the Middle East and Afghanistan. Though the debate on the limits of U.S. power



is not new, it has become more intense with the expansion of U.S. military and economic engagement in the Asia-Pacific (Bacevich, 2009).

The key question is whether the U.S., struggling with economic difficulties and ongoing military engagements, can afford the potential costs of the Asia-Pacific rebalance. The Obama administration's strategy to increase U.S. military presence in the region may not be effectively carried out due to more restrictive budget constraints imposed by the U.S. Congress, which has the power of the purse. In particular, the Budget Control Act of 2011, enacted into law on August 2, 2011, would certainly result in serious reductions of U.S. military "operational and training funds" (Sutter 2015, p.102) that would be very disruptive to the size of U.S. military forces worldwide, and thus to U.S. security engagement in the Asia-Pacific (Manyin, Daggett, Dolven, Lawrence, Martin & O'Rourke, 2012, p.17).

### ***U.S. Allies' Concerns about Sovereignty***

The U.S. rebalance has been generally welcomed by U.S. allies and partners in the region. However, this does not mean that there are no concerns about the U.S. military presence. Opponents and sceptics in the host countries usually stress the negative effects caused by the U.S. military presence, viewing it as an extension of U.S. imperialism and an obstacle to peace. For example, when the Australian government announced the establishment of a permanent U.S. Marine base in Darwin, many Australian experts argued that this would have catastrophic consequences for Darwin. Robin Tennant-Wood, Assistant Professor at the University of Canberra, expressed that adding a U.S. Marine base in Darwin is likely to worsen rather than improve Darwin's social problems (Thompson, 2011). Dr Anthony Ashbolt, University of Wollongong, underscored that Australia does not benefit from its alliance with the U.S. In fact, Australia's "subservience" to the U.S. is detrimental to the country's image in international relations, especially when compared to other important emerging powers such as China, India and Brazil.

China in particular may perceive an increase in U.S. military deployment in Australia as a hostile signal, which could adversely affect the China-Australia relationship (Thompson, 2011). Such opposition to the establishment of the base in Darwin indicates that many Australians are concerned about the consequences of increased U.S. troops on their soil. The arguments put forth by U.S. and Australian leaders on the mutual benefits of the strong U.S.-Australia alliance would hardly eliminate the sense of septicism among the Australian public.

In Japan, successive governments have failed to obtain support from Okinawa residents for hosting U.S. troops there. The Okinawa community often criticizes the U.S. bases for noise, pollution and crime ("US and Japan," 2011). For instance, in 2012, the deployment of the MV-22 Osprey aircraft to a U.S. military base in Okinawa was a serious political issue for the Japanese government due to strong local opposition ("Japan Bans US War Planes," 2012).

Similarly, there is intense opposition to the existence of U.S. bases on South Korean soil. One South Korean activist stated:

*There are currently 36,000 U.S. troops based at 95 bases in South Korea which cover a total area of 60,700 acres. These effects of those troops are not limited to facilities and bases alone; they are extending into the communities surrounding the bases. During the time from the posting of U.S. troops in 1945 to the present, environmental pollution has been constant, and the military has neglected to be concerned about the impact. Not only the water, soil and noise pollution produced on and near bases is of concern, but also the physical and mental health impairments of Korean citizens and the destruction of the pre-existing community's lifestyles brought about by U.S. military actions that must be considered (Feinerman 2005, p. 212)*

The negative side effects of U.S. military bases have caused substantial anti-Americanism among citizens in the host countries, which constitutes an impediment to the U.S. rebalance. In democratic nations where public opinion is critical—including Australia, Japan and South Korea—the intense local opposition has been a serious political headache. As the U.S. rebalance, currently conceptualized, requires an increased U.S. military presence in the region, including through military bases in Australia, Japan, South Korea and elsewhere, this raises a hard question for the U.S. government: what should be done to reconcile the need for permanent establishment of military bases on U.S. allies' soil and the local communities' anti-American pressures?

### ***China's opposition to the U.S. rebalance to the Asia-Pacific***

A wide range of mechanisms has been employed by the U.S. to explain that the Asia-Pacific rebalance is not designed to contain China. The Obama administration expresses its willingness to broaden and deepen cooperation with China on economic, military, diplomatic and cultural areas (Swaine, 2015) while stressing that the U.S. strongly opposes any attempts to use force or threats to change the status quo (Parrish, 2013). Despite these assurances, China remains ambivalent to the Obama administration's stated reasons for the Asia-Pacific rebalance, and maintains that the U.S. rebalance is based on great power politics. As Aaron Friedberg pointed out, the United States and China are now "locked in a quiet but increasingly intense struggle for power and influence, not only in Asia but around the world" (Friedberg, 2011, p. 25). From the Chinese perspective, the real rationale behind the rebalance is to dominate the region and the world (Guangshun & Qiang, 2014). In this view, the United States' effort to reassert a leadership role in Asia is particularly aimed at China; it runs against mutual interests between Washington and Beijing and is detrimental to the region (Sheng, 2011).

China holds that for the rebalance to be successful, the U.S. needs to make constructive contributions to enhancing economic growth and cooperation. A focus on security through military engagement will not offer any possibilities for progress (Sheng, 2011). China views the Asia-Pacific rebalance as a strategy to enhance U.S. national interests and sustain its

hegemony, and warns that it is unlikely the U.S. will continue to dominate global affairs as it has in the past (Gang, 2011).

In response to Clinton's article "America's Pacific Century", China denied that the U.S. military presence over the past decade has been critical for maintaining the regional security and stability on which Asia's economic growth depends (Clinton, 2011). An article published in People's Daily Online, a state-run Chinese news media strongly asserted that a "Pacific Century" would belong to the nations in and around the Pacific, and would not be monopolized by the U.S. (Fei, 2011).

Clearly, the Obama administration's efforts to expand engagement with the Asia-Pacific have been and will be complicated by the fact that China read these attempts as an implicit signal to contain China's influence in the region. It seems that under Xi Jinping, Chinese leaders have discarded Deng Xiaoping's guidelines to maintain a "low profile" (Godement, 2013). For instance, President Xi even suggested that the security architecture built by the U.S. was no longer able to stabilize Asia, and that the security architecture for the region should be designed by Asians, not by someone else: the region needs to define its own concept of security, build a new architecture of security cooperation and formulate a strategic plan for regional security (Xi, 2014). This remark implied that the Pacific is not large enough for all, as Secretary of State Hillary Clinton asserts (Clinton, 2012).

Indeed, from Chinese perspective, the U.S. is seeking to contain China and to prevent China from becoming a regional hegemon. China's opposition to the U.S. rebalance represents a big challenge for the successful implementation of the rebalance strategy.

## **POLICY RECOMMENDATIONS**

The Obama administration's rebalance to the Asia-Pacific manifestly demonstrates the significant role of this region in helping the U.S. maintain its global influence. However, the expansion of economic, military, diplomatic and cultural engagement with regional countries has proven to be an uneasy task. Internally, the U.S. faces immense difficulties in managing the issue of resource constraints. Externally, U.S. allies and partners support the U.S. rebalance while they are seeking to protect their national interests, and how much they can contribute to the U.S. rebalance remains an open question. At the same time, China has become more assertive and ambitious (Cliff, 2011; Ratner, 2014 & Schmitt, 2009). The rise of China in such a diverse and complex region certainly poses significant challenges that the U.S. has to address to ensure that the rebalance will not produce unexpected consequences. The following recommendations are made for the U.S. policymaking circle to achieve the objectives of the rebalance and overcome some of the obstacles explored here.

**Building domestic power:** Nation-building has always been an important base for projecting U.S. influence regionally and globally. From the early days of the republic, U.S. leaders realized that economics, politics, and the military were important foundations of domestic power (Martel, 2015). The U.S.'s success in building formidable domestic power through these areas allowed the country to become one of the most influential nations in

the world by the early twentieth century. It is imperative for the Obama administration to maintain formidable domestic power by continuing to strengthen its economic, political, and military foundations.

In terms of economics, the U.S. must focus on increasing efficiency in production, renewing the labor force, promoting technological innovation, and accelerating the federal government revenue. The suggested steps are as follows:

- i. The U.S. must lower taxes on capital to encourage more investment. Lowering the U.S. corporate tax rate to the OECD average effective rate of 18.6 percent from the current U.S. rate of 39.1 percent would help to attract foreign investment. It would also move the U.S. tax system closer to a progressive consumption tax, where businesses and people are taxed on consumption rather than savings and investments.
- ii. The U.S. must reform its immigration law to make it easier for skilled foreigners and innovators to come into the country. Immigrants have historically demonstrated a stronger motivation to start businesses than native-born Americans. Immigrant founders of engineering and technology businesses established between 2006 to 2012 created jobs for 560,000 workers (Wadhwa, Saxenian & Siciliano, 2012), and 44% of companies in California's high-tech Silicon Valley had at least one immigrant founder (Wadhwa, Saxenian & Siciliano, 2012). The world is in a global race for talent, and the U.S. economy will grow faster if it can attract more talent.
- iii. The U.S. must reform the national healthcare system to lower healthcare expenditures and protect its people from major illnesses. A reduction in healthcare spending leaves more spending for goods, services, and savings, which powers investments.
- iv. The U.S. must allow natural gas exports. With a massive expansion of natural gas capacity, the U.S. can sell it to Europe and Asia at no additional cost to the federal government. For example, in North Dakota, the amount of non-marketed natural gas output increased from 0.16 billion cubic feet per day in 2011 to 0.31 billion cubic feet per day in 2013 (Ford & Davis, 2014). The non-marketed natural gas is wasted as it flares into the atmosphere. Because gas flaring releases carbon dioxide as a byproduct of combustion, it would be more environmentally friendly for the gas to be sold. Gas exports would also improve North Dakota's economy and increase U.S. GDP.
- v. The U.S. must encourage free trade agreements with various countries without political prejudices. Although a protectionist policy would protect domestic businesses, it should not be used as a political tool to restrain trade between the U.S. and other countries. The major aim of broadening and deepening U.S. international trade relations is to accelerate the U.S. economic growth rate.

In terms of politics, political polarization must be reduced because it causes difficulties in adjusting existing laws or passing new ones. Many of U.S. economists have seen political polarization as one of the U.S. economy's most critical problems (Blodget, 2012). The main

source of political polarization is institutional. Four main solutions to political polarization are as follows:

- i. The judicial nomination process must be reformed.
- ii. The Congressional redistricting system must be changed.
- iii. The participation of less partisan citizens in elections must be encouraged.
- iv. Institutional performance must be constantly reviewed.

These suggested changes in institutional design would help the U.S. begin the process of political depolarization, which in turn would make it much easier for the U.S. government to work effectively. Implicitly, the U.S. government would be more likely to succeed in addressing the nation's most important economic and security questions.

In terms of the military, it is imperative for the U.S. to maintain its superiority in land, air, and naval forces. This means that the U.S. government must further invest in technological and scientific research in pursuit of cutting-edge military capabilities. Besides, cultural knowledge, as part of soft power, is useful in military operations. Thus, it is significant that leading officers, soldiers and personnel on all levels and areas of the forces are provided with intercultural training and knowledge. Furthermore, it is necessary to increase the U.S. army's humanitarian aid to spread favorable images of the U.S. These practical proposals would help to build up U.S. defense capabilities and further contribute to U.S. national security.

The U.S. government should always prioritize strengthening its political, military and economic foundations. When these foundations are firmly built and fostered, U.S. domestic power would continue to be superior to others in the world.

Reinforcing alliances and partnerships: The U.S. alliances and partnerships in Asia are important in the Asia-Pacific rebalance. The U.S. needs to build up its capacity to protect its alliance partners while asking them to make a proper contribution to regional security. The U.S. also needs to consolidate its old and emerging partnerships in the region by deepening economic, diplomatic and security ties with these partners. Outside of Asia, the Asia-Pacific rebalance could be perceived by U.S. allies and friends to mean that they are no longer U.S. priorities, generating a sense of uncertainty over whether they will see a reduction in U.S. economic and military support. Consequently, they may look for other sources of help that could run against U.S. strategic interests. To prevent this, the U.S. should assure its allies and friends in other parts of the world that the Asia-Pacific rebalance does not signal a discontinuation of traditional support in other regions. In particular, the U.S. must ensure Brussels that the European Union is not downplayed in U.S. foreign policy.

Practical engagement with China: Many nations in the Asia-Pacific and elsewhere in the world depend on their ties with China—and especially on the revenue from trade with China. These nations may not oppose the Asia-Pacific rebalance, but they do not want to have to choose between the U.S. and China. Thus, the U.S. government needs to balance these two dynamics by increasing practical engagement with China. Washington must pursue its continued interests in the Asia-Pacific but ensure this pursuit is not perceived by

Beijing as a containment of China. It is in the U.S. interest to have a stable and cooperative China. Specific steps for building an effective relationship with China are as follows:

- i. The U.S. should coordinate with China in developing regional mechanisms for regional activities. For instance, Washington and Beijing can cooperate in providing development and humanitarian aid in the region. Their coordination in development assistance and disaster relief would serve as a springboard for cooperation in other areas.
- ii. The U.S. should ensure that its increased economic engagement in the Asia-Pacific serves to open up new opportunities of commerce in the region. For example, Washington and Beijing should move to a common ground that the TPP and RCEP (Regional Comprehensive Economic Partnership) are aimed to promote free trade and prosperity in the region—not to reduce the other side’s economic influence in the Asia-Pacific. It would be of great mutual benefit for both the U.S. and China to integrate the TPP and RCEP into a higher standard regional free trade agreement that provides a pathway to a free trade area of the Asia-Pacific.
- iii. The U.S. should engage in more effective high-level dialogue with China to build trust and increase cooperation. The U.S.-China Security and Economic Dialogue (the S&ED) provides a good example. It creates opportunities for the two countries to host such important dialogues as the Strategic Security Dialogue, the U.S.-China Innovation Dialogue, the U.S.-China Climate Change Working Group, and the U.S.-China High-Level Consultation on People-to-People Exchange, all of which aim to enhance mutual understanding and build a constructive relationship between the two countries (“Strategic and Economic Dialogue,” 2014).
- iv. North Korea’s nuclear program has been the source of mutual doubts and suspicions about Washington and Beijing’s future intentions. The U.S. can build trust with China through a dialogue on a nuclear-free Korean Peninsula. This dialogue should work alongside the six-party negotiations to establish a more effective multilateral mechanism for dealing with the problem of North Korea’s nuclear program.

The Asia-Pacific rebalance should not be misperceived as containment of China’s rise, a demotion of U.S. allies in other parts of the world, or a strategy that is solely beneficial to the U.S. The rebalance creates opportunities for peoples in both the Asia-Pacific and the U.S. Whether the policy is successful or not will depend on both the strength of the Obama administration’s commitment and the ability of the next U.S. administration to carry it forward.

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## BOOK REVIEW

# Humanitarian Economics: War, Disaster and the Global Aid Market

*Caroline Brassard<sup>1</sup>*

**Humanitarian Economics: War, Disaster and the Global Aid Market**, by Carbonnier, Gilles (2015). Hurst & Company. London. 292 pages. ISBN 978-1-84904-552-0



**Keywords:** economics, war, disaster, Sudan, terrorism, Afghanistan, Myanmar

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Sudan, with a special focus on the developments in the humanitarian marketplace in the last 25 years. Sprinkled with observations from decades of practice in the humanitarian sector, Carbonnier's scholarship is both accessible and engaging. The book also identifies important research gaps that could be tackled by academia and research units within NGOs, governments and the private sector.

The book serves to develop the foundations of humanitarian economics, including a discussion on humanitarian principles and the humanitarian market. One of the areas under scrutiny is whether the professionalization of the humanitarian sector risks stifling altruism through a focus on efficiency and results-based management. Carbonnier argues that altruistic behaviour "depends on the normative context that influences decisions involving

Humanitarian Economics marks the start of a long-term interdisciplinary research agenda on the complex aid-conflict-disaster nexus. This well-researched and thoroughly referenced book is aimed at professionals working in humanitarian and development agencies, NGOs, private sector and governments. The book is also highly timely given the inaugural World Humanitarian Summit (WHS) coming up in Istanbul on 23-24 May 2016. It is a must-read for anyone seeking a thorough understanding of, and a broader perspective on, the complexities behind the developmental and humanitarian challenges for countries in crisis situations— either undergoing conflicts or human and 'natural' (climatic-related) disasters.

The analysis spans a time horizon stretching from medieval times to the on-going refugee crisis in Syria and in

<sup>1</sup> Caroline Brassard is Adjunct Assistant Professor at the Lee Kuan Yew School of Public Policy.

moral dilemmas” (p. 26). In other words, although emotions play a big part, altruism is also a product of socialization. This leads to an interesting debate on voluntary service versus professionalization of humanitarian action, which no doubt will be at the centre of the upcoming discussion at the WHS in Turkey, in addition to the question of the principle of neutrality, especially in the context of armed conflicts.

Carbonnier proceeds to develop the logic behind the economics of war, terrorism, disaster, and survival and concludes on the transformative power of humanitarian crises. Multiple empirical examples are provided and take a global perspective - mainly from African countries and Asia but also from Europe and Latin America. The author qualifies the book as “between a primer and an essay” (p. xiii), and it could also easily be used as part of syllabi for development-oriented courses, due to its clear structure and logic.

One of the key strengths of the book is the multiple lenses that it uses to deconstruct the humanitarian market beyond economics, including various other fields such as political science, anthropology, sociology, life sciences, law and psychology. By contrasting the epistemological stances from these varied fields, the author highlights the inherent tensions between implicit assumptions in economic analysis, the functioning of financial services and their interaction with humanitarian practices. For example, the cost and benefit analysis of wars is looked at from the perspective of those who benefit and those who suffer from wars, and argues for a much deeper political economy analysis of foreign aid in these contexts. Numerous cases from African countries are used to discuss war, armed conflict and terrorism financing, and the interaction these have with humanitarian activities.

From a macroeconomic perspective, the author analyses estimates of the size of the aid market, including the market of humanitarian assistance. The supply side is composed of “multilateral, governmental, non-governmental organisations as well as non-profit and commercial actors. On the demand side, the sector’s turnover depends on government and, increasingly, private donor generosity.” (p. 41) As noted by the author, the size of the market should also include domestically funded humanitarian assistance, which is especially important for middle-income countries. In addition, private humanitarian funding is not systematically reported. In order to estimate the size of the market, one would also need to compute the number of working hours by volunteers from heterogeneous institutions, from private organisations to the extensive faith-based networks. The complexity of this market highlights the need for aid researchers to look beyond the OECD’s Official Development Assistance (ODA) estimates of Development Assistance Committee (DAC), which are too often cited as a proxy for the size of the market, despite representing only a (gradually diminishing) fraction of the market.

While questioning the theoretical underpinnings of empirical research, the author guides us through a maze of challenging questions related to politics, economics, ethics and institutional values and capacities. For example, in terms of recipient countries, Carbonnier notes: “among the thirty countries that received humanitarian aid for at least eight years in a row by 2013, twenty-five of them qualify as ‘fragile states.’” (p. 47) Yet, despite the rapid increase in the supply of humanitarian aid, the author contends that “there is no evidence that this surge was caused by a parallel surge in actual needs. (p. 65)

Looking at terrorism research, the book delves into the policies and instruments used against terrorist acts and perpetrators, and explores the role of humanitarian action and foreign aid in combatting terrorism. The author highlights the limitations of rational choice theory and opportunity cost models in understanding terrorism, while commenting on the relative failure of 'smart' sanctions to help reduce terrorism. Examples of adverse effects of various decisions, policies and economic sanctions on humanitarian action are also provided, for example from Afghanistan and Myanmar.

With the rise of economic damage caused by natural hazards, the author also takes a stab at the 'building back better' philosophy and practice in most post-disaster reconstruction sites. Carbonnier does not hesitate to question the lack of attention paid to longer-term planning and sustainability. Indeed, the effectiveness of post-disaster reconstruction calls for a better identification of the indirect impacts and longer-term effects of disasters, which are not seen at the surface and are therefore often under-reported.

The specific value of the disaster economics chapter is the discussion on disaster insurance, a topic that is still under-researched but will gain momentum as the share of disaster losses covered by insurance increases over time. This chapter maps out the disaster risk insurance products, public-private partnerships, micro-insurance and other tools that have surged in recent years. Interestingly, the author also looks at the rise of Sharia-compliant insurance (called 'tafakul') towards disaster risk in the Islamic finance industry, which is based on the principle of mutual and voluntary contributions.

While commenting on the expansion of disaster risk insurance, the author raises some potential tensions, noting that: "this involves increasing cooperation between aid organizations and the insurance sector, but also increasing competition between the relief and insurance businesses." (p. 135) Once insured, relief and recovery needs would then be taken up directly by the insured parties. This is a relatively recent model pushed by the World Bank and the United Nations Office for Disaster Risk Reduction (UNISDR), among others, but would require adequate capacities for managing relief and recovery in the first place.

By the same token, another key tension is that donations for relief and rehabilitation tend to "reduce incentive(s) to invest in disaster prevention and preparedness" (p 143). In sum, the contrast between the economics and the political economy perspectives highlights the moral hazards, free-riding and collective action and asymmetric information problems. The author's analysis demonstrates the need to examine the underlying tensions in the disaster governance from an interdisciplinary approach.

The chapter on 'Survival Economics' looks at the impact of humanitarian crises at the household level. It asserts that poor households may not be the most vulnerable, especially when they are active in the so-called 'informal' or unregulated economy. The discussion centres on the challenges in assessing the needs for assistance in complex environments. Contrasting various methods such as means testing, market analyses and vulnerability assessments, the author concludes that there is a tendency "to neglect critical political economy issues related to the way crises redistribute power, wealth, income and destitution" (p. 174)

In the final chapter before the conclusion, the author discusses the concepts of 'resilience' and the 'Build Back Better' (BBB) approach, and the overlap (and blurring of lines) between humanitarian, development and peace-building interactions. As part of a balanced critique of the BBB approach, the author cites instances where BBB created overly high levels of expectations, and diverted resources away from urgent needs (for example, the cholera crisis in Haiti). The chapter concludes that a focus on resilience - as opposed to the more negative connotations embedded in 'vulnerability' - can foster collaboration between academia and practitioners across fields in crisis situations.

Overall, given the scope of the topic, perhaps one of the most important aspects for further discussion and research on humanitarian economics is the role of faith-based organisations in humanitarian aid. These institutions are not new actors in the humanitarian field, despite often being seen as such, although some have recently ventured more deeply in longer-term development - especially after receiving massive donations for post-disaster contexts. Humanitarian Economics provides readers, policy makers, development and humanitarian workers and researchers with strong analytical foundations, raising the hope that inter-disciplinary research can conceptually disentangle the complex aid-conflict-disaster nexus.

## BOOK REVIEW

# Understanding the Brunei 'Welfare Monarchy': Past, Present, Prospects

*Phua Chao Rong, Charles\**



**Keywords:** Brunei, welfare economy, monarchy, public policy, administration

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Brunei represents the 'area studies' approach to understanding public administration, public policy and international relations and notable institutions focusing on 'area studies' include School of Oriental and African Studies (SOAS) in London, St Anthony's College in Oxford, Jawaharlal Nehru University in New Delhi and German Institute of Global Area Studies. There are two main approaches in public administration, public policy and international relations (Acharya, 2006). The dominant one is the 'theoretical/discipline-based' approach that seeks to derive generalizable statements (theories) of a discipline that will supposedly apply to all cases. Some scholars use quantitative methods to deductively 'test' hypotheses in large N studies and infer the applicability of variables in other contexts. Other scholars use qualitative methods to compare different case studies (small N) to induce generalizable statements. For the theoretical/discipline-based approach,

most critics will remark that each case/country is unique and many of the contextual factors are understudied and ignored in the approach's quest for that few key variables that 'explains everything', using Occam's razor. This has led to the resurgence of the more traditional 'area studies' approach to complement, and, some argue, challenge the 'theoretical/disciplined-based' approach. In area studies, one seeks to holistically understand the context of the country/case in question and draw inter-relationships within the case (Yin, 2004). The 'theory' is focused on the country, rather than discipline per se. This is the context of the rise of Non-Western International Relations theory (Tickner and Waever, 2009; Acharya and Buzan, 2010) and Public Administration with a Global Perspective bridging universalism (of discipline approach) with particularism (of area studies) (Hou, 2011, i45).<sup>1</sup>

\* *Phua Chao Rong, Charles is the Lee Kong Chian Graduate Scholar and PhD candidate at the Lee Kuan Yew School of Public Policy, National University of Singapore.*



There are a limited amount of works dedicated to understanding the public administration of petro-states (Karl, 1997), even the relevant articles are only a hand-full (Mansour, 2007, 2008; Crystal, 1989; al-Khoury, 2012). Brunei represents a book-length treatment dedicated to the 'area studies' approach to study this petro-state in Southeast Asia, its history, and public administration.

There are two main segments: history and public administration. In three sections, Marie-Sybille, Professor at the Faculty of Southeast Asian Studies in National Institute for Oriental Languages and Civilisations INALCO, Paris, provides a comprehensive historical account of key political, social and economic developments in Brunei briefly from the End of Ice Age (40,000 BCE) till 2014 with a focus on the last 1000 years. Despite being an economic historian, Marie-Sybille was able to connect Brunei's economic history to its political and social history.

Brunei's importance in the trade routes between India and China, gradually rose from the 7th century, partly due to the destruction of Funan, a thalassocracy (empire at sea) in Mekong Delta managing exchanges between China and India (p. 25, 29). Triangulating Malay, Chinese, Arab and Western sources, Marie-Sybille was able to place Brunei relative to the rise of Pax Mongolia and the Ming dynasty, and how Brunei's skilful diplomacy in this double game of tribute helped to expand its commercial networks in the region linking China to Southeast Asia (pp. 37-49). Brunei's Golden Age was between 1500 and 1578 with the withdrawal of Ming navy from the China sea, erosion of Majapahit and decline of Champa (p. 50). Brunei prospered because of its location at the intersection of four maritime routes used by pirates (Javanese, Malays, Chams, Acehnese etc.) (p. 52). The next period saw the influx of the Dutch then British who vied for Brunei as a trading post; Brunei lived under the tyranny of white rajah – James Brooke, and only to be saved by British colonialism (pp. 61-91).

Marie-Sybille's key contribution to 'area studies' approach to public administration is in its four-chapter account of Brunei's public administration history which officially started with the British Residency. It is hence pertinent to highlight the key milestones. Its embryonic administration started in 1906 with domains of justice, police and taxes (p. 95). The first land code was promulgated in 1909, making all land property of the state. Rudimentary public services were gradually established: primary schools (1912-1914), mobile doctors (1919), telegraph (1921), dam-supplied water to capital (1926) and municipal services (1921, 1929) (p. 97-99). Economic development was boosted by petroleum with British Shell and exploitation started in 1932; by 1935, Brunei was the third producer of oil in Commonwealth and its foreign debts were cleared by 1936 (p. 101-102). In the post-World War Two years (1946-1959), political power was increasingly concentrated in the Sultan's hands particularly with the implementation of a new concept, Melayu Islam Beraja (MIB) which defined Malayness on the dual basis of religion (Islam) and the political system (monarchy) (pp. 109-111, 114). What followed from 1962 was a failed attempt to include Brunei into the Malaysian Federation and various political interaction involving Malaysia, Indonesia and Britain until Brunei's independence was proclaimed on January 1st 1984 (pp. 115-128).

What ensued was a modernisation process of a modern Islamic state in religion and politics, economics and diplomacy. The MIB strengthened the Sultan's political control and Islam was a unifying force amongst its elites and its citizens (pp. 132-134, 140-144). While hydrocarbons constituted 70.6% of GDP in 1984, there was awareness of the importance of economic diversification and this was entrusted to the sovereign's younger brother and later handled by the Sultan himself. Attempts were made to create a one-stop investment centre, boost its construction sector, venture into Islamic finance, privatise ports, and long-term economic planning with Brunei Darussalam Economic Council (BDEC). These efforts were thwarted by the 1997 Asian financial crisis (pp. 133-137, 144-148). Efforts on diversification persisted with the creation of Ministry of Economy and Wawasan (Vision) Brunei 2035 with emphasis on infrastructure, information technology and hydrocarbons (pp. 156-159). The 'Bruneian model' was compared to the small petro-gas states of Arabian Gulf. Brunei's prudent investment of its internal and external surpluses into Brunei Investment Agency (BIA) since 1985 succeeded in diversifying its economy; in 2011, this sovereign fund was able to generate 28% to 31% of Brunei's GDP albeit it is less clear if this fund can wholly substitute for petro-gas income by 2030 (pp. 187-194).

In Section Four, Marie-Sybille provided insights into today's Brunei, its government and public policies. As a modern state, Brunei favoured social stability using the twin pillars of education and rituals. Multi-ethnicity is encouraged with a naturalisation policy that grants citizenship after a serious test of 'Bruneian culture' (pp 203-210). Bruneian administration is overstaffed with 1 civil servant to 12.4 inhabitants; 63% of Bruneians working in public service and 74% of private sector jobs occupied by foreigners (pp. 196, 233). In analysing the Bruneian administration, Marie-Sybille traced the evolution of Royal Custom (*adat istiadat*) to explain the dual hierarchy from 1930s where nobles (*Pengiran Cheteria*) and commoners (*Pehin Menteri*) (pp. 235-257). This *adat istiadat* tradition became a substitute for parliamentary representation whilst celebrating the monarchy and strengthening the social fabric of nobles and commoners that supports the monarchy whose Sultan is jointly Head of State, Head of Religion and Head of *Adat Istiadat* (p. 260).

In reading Brunei, one holistically understands Brunei's public administration policy and international relations as Marie-Sybille firmly embeds the discussion in its history. While one can argue that Marie-Sybille has a bias towards economic history and arguably the first three sections were written in that economic lens, Brunei's economic history forms a solid basis to discuss its politics, religion, society and administration.

However, critics from the theoretical/discipline-based approach might argue that what Brunei gained in depth, it might have lost in breadth. Despite the depth of coverage, the reader might ask 'so what' (with respect to the case study or other disciplines or cases)? To be fair and to be true to the 'area studies' approach, Marie-Sybille has already done an impressive feat to cover Brunei's 1000 year history in a single volume and her concluding chapters also discussed the so-what of Brunei, particularly its economic future on whether financial rent could substitute hydrocarbon rent.

In the spirit of mixed-methods approach, Marie-Sybille may consider, in her next edition, to expand on her existing book to discuss Brunei's political future. For example, whether the 'welfare monarchy' (p. 285) will continue to function or monarchy might be challenged the moment welfare ceases to exist, and its social ramifications. Marie-Sybille could also compare Brunei to the petro-gas states of Arabian Gulf beyond the economic dimension (pp. 195-201); this may draw useful lessons from Brunei for its Arab cousins and vice versa and strengthen the cross-country validity of the lessons learnt using the comparative method (Ragin, 1987). In addition, there is scope to discuss Brunei as a Muslim 'welfare' monarchy against other non-Muslim 'welfare monarchies', arguably Thailand, Bhutan, and Britain. From a discipline-oriented perspective, Brunei could also be discussed with respect to established public administration models, i.e. how does welfare/monarchy fare vis-à-vis Traditional Public Administration (TPA) (Wilson, 1887; White, 1926), and New Public Management (NPM) (Hood, 1990)? Interestingly, Brunei's monarchy experienced a fat bureaucracy as the US and UK's TPA did in the late 1970s. Brunei also experienced privatisation of its port and other services as advised by NPM. Is monarchy necessarily more corrupt? Brunei has its share of corrupt incidents, but the Sultan was able to set things right and restore confidence quickly (pp. 145-148); is the Anglo-Saxon model absolved of corruption and could it restore confidence as quickly?

In conclusion, Brunei is an interesting read for scholars and public interested in the success story of Brunei's 'welfare monarchy' and adds value to the hitherto sparse literature on the public administration in petro-states. Using an 'area studies' approach, it offers rich contextual understanding to appreciate its modern institutions. Brunei is a timely reminder, to the fields of public administration and international relations, on the enduring utility of 'area studies' approach to complement the theoretical/discipline-based approach.

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## COMMENTARY

# MERS-CoV Outbreak in South Korea – Public Policy Trumped by Fear and Politics

*Professor Tikki Pang\**



**Keywords:** MERS-CoV, epidemic, public health, evidence, public fears.

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China, with a total of 36 deaths. There were also ongoing concerns about cases in Hong Kong and Slovakia and the World Health Organization had declared the outbreak "large and complex" with further cases expected. The virus causes severe morbidity and mortality in the elderly and those with underlying medical conditions.

The outbreak index case occurred in a South Korean businessman who had travelled to Saudi Arabia, and who had visited four Korean hospitals before the infection was confirmed as MERS-CoV. Following its initial appearance in Saudi Arabia in 2012, the South Korean outbreak represents the largest outbreak of MERS-CoV outside the Middle East. Camels are likely to be a major reservoir for MERS-CoV and a common zoonotic for infection. All the infections in South Korea so far have been confined to clusters of cases in healthcare facilities with transmission occurring between patients, staff and their families in close contact with infected individuals.

The MERS-CoV (Middle East Respiratory Syndrome coronavirus) outbreak in South Korea has caused great concern in the Asia-Pacific region, especially in the wake of the devastating Ebola epidemic in Western Africa. From a policy perspective, the responses of countries in the region affected by MERS-CoV to contain and control the outbreak provides an example of where public policy is dictated and influenced by fear, anxiety and politics rather than the strength of existing evidence. This, in turn, results in unnecessary over-reaction, wastage of human and financial resources, and negative impacts on a country's economy. The issue on hand can be best addressed through a series of pertinent questions.

What are the facts?

As of July 28, 2015, when South Korea declared that the outbreak was over, the MERS-CoV had been diagnosed in 186 people in South Korea and one person in

\* Professor Tikki Pang is a Visiting Professor at the Lee Kuan Yew School of Public Policy, National University of Singapore.

Could the outbreak have been prevented and were the authorities slow to react?

In the early stages of the outbreak, there was low awareness, poor communication and a lack of urgency in rapidly identifying MERS-CoV as a possible culprit. After confirming the first MERS-CoV case, it took the authorities nearly two and a half weeks to publish a list of affected hospitals. Early in the disease, the syndrome presents with non-specific signs (fever, cough, shortness of breath, etc.). By the time a firm and definitive diagnosis was made, the virus had infected many others in the affected hospitals. Following this under-reaction in the early phases of the outbreak, however, authorities shifted to over-reaction, as discussed below.

How have affected countries responded?

Driven largely by fear and anxiety, South Korea placed about 2,800 people under quarantine and closed nearly 2,000 schools. An entire village was also placed under quarantine. Many public events were called off and trains were being disinfected on a daily rather than weekly basis. Some hospitals suspended services. In Hong Kong, the authorities issued a travel advisory and advised its residents not to visit South Korea unless necessary. Singapore declared that temperature screening at air checkpoints for passengers arriving from South Korea would commence from 9 June 2015.

Why are the responses misplaced, unnecessary and potentially harmful?

First, unlike SARS, MERS-CoV is not easily spread from person to person and, therefore, the potential for a community-wide spread of the virus is limited. The more common influenza and measles viruses are much more infectious than MERS-CoV and can spread much faster and wider. The MERS-CoV outbreak has so far been confined to hospitals. Second, the responses put in place by South Korea are largely unnecessary. Following the initial sluggish response, appropriate measures have now been implemented in affected hospitals and the authorities seem to have put 'their act together'. South Korea has an advanced health care system that is fully capable of dealing with epidemic threats such as well-equipped hospitals and laboratories which successfully and rapidly obtained the full genome sequence of the MERS-CoV circulating in their country. Third, no secondary transmission has occurred in other countries which have had exported cases since the appearance of MERS-CoV in 2012 (e.g. Malaysia, Philippines, France, Germany, USA). This underscores the fact that there is little evidence of sustained human-to-human transmission into the broader population. Fourth, the drastic policy responses have been predicted to have significant economic and psychological impacts on the population with possible human rights repercussions. Economists said that the outbreak of MERS-CoV could stop the country's economic recovery, which had appeared to pick up momentum in recent months. In addition, the number of tourists visiting South Korea has significantly dropped.

What would have been a more rational response?

Based on current evidence, MERS-CoV is not a major public health threat to the broader population and communities, and responses should thus reflect this fact. Emphasis should

be placed on allaying public fears and providing accurate information with encouragement to practice standard public health surveillance, personal hygiene and infection prevention measures. This includes frequent and regular hand washing and avoiding close contact with animals, especially camels, when visiting farms and markets. Sick animals and consumption of raw camel milk and meat should also be avoided. Affected countries should also be guided in their policy responses by the advice provided by the World Health Organization (WHO) under the International Health Regulations (IHR), which is designed to deal with public health emergencies of this kind.

What can be done in the future to avoid similar occurrences?

First, awareness, vigilance and education among health care workers are crucial in terms of considering MERS-CoV as a possible cause of severe acute respiratory infections (SARI), especially if clusters of cases occur which are linked to a travel history to affected regions, e.g. the Middle East. This should be followed by rapid confirmation of a diagnosis of MERS-CoV to allow appropriate protective measures to prevent spread, such as measures to avoid droplet, contact and eye infection. Second, travellers to affected areas, especially the Middle East, should be aware of the risks and the precautions to take to prevent getting infected. Third, MERS-CoV is a relatively new disease and information and knowledge gaps are still considerable. Therefore, more research should be carried out into the origins and modes of transmission of MERS-CoV, the pathogenesis of disease and the possible development of a preventive vaccine.

What has been the international response to the outbreak?

The WHO has convened an Emergency Committee under the IHR to consider the necessary public health measures to be taken. The WHO has urged its member states to be vigilant for SARI, especially those with large numbers of travellers or migrant workers returning from the Middle East. With regard to the MERS-CoV outbreak in South Korea, WHO has not declared a Public Health Emergency of International Concern (PHEIC)—as it did during the Ebola outbreak in West Africa in August 2014—and does not advise special screening at points of entry nor does it currently recommend the application of any travel or trade restrictions.

In conclusion, we should ponder the question of whether the MERS-CoV outbreak in South Korea provides broad lessons for public policy. While providing a good case study of fear-driven rather than evidence-informed policymaking, the MERS-CoV outbreak also serves to highlight the reality that evidence is not the only factor in the policymaker's universe. Following Ebola and the world-wide panic which ensued, policymakers in the affected countries cannot be faulted for being conservative, wanting to be seen to act quickly and 'playing it safe'. The larger context of political and public pressure in South Korea, following the Sewol ferry tragedy, also should not be underestimated. Taken together, the MERS-CoV outbreak provides important insights and lessons in the realities for public policymaking which all students and practitioners should be aware of.

**REFERENCE**

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# Asian Journal of Public Affairs

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School of Public Policy



Scale  
Azimuthal Equal-Area Projection

0 800 Kilometers  
0 800 Miles

Boundary representation is