Asia in 2013 was above all a year of ironies, a year of prosperity and growth accompanied by nationalist tensions and rising dissatisfaction. It was also a rebuilding year following a year of major transitions. Characteristically the target of great natural disasters, during the year Typhoon Haiyan afflicted 6,000 fatalities on the Philippines while Sumatra’s sudden fire haze (the biggest in 15 years) befogged Singapore and Malaysia. Yet, amid all these disconcerting changes, Asians could take comfort in certain continuities.

CONTINUITY

For the past decade, indeed since the American invasion of Iraq in 2003, there has been no international war in Asia. There have been domestic disturbances ranging from protests up to savage internal/civil wars (such Afghanistan), and there have been international disputes, but no wars. Surely, this is a trend all Asian nations would prefer to sustain.

A second constant in which Asians no doubt take satisfaction is that Asia continues to drive the global economy. Europe, the debt-ridden “black hole” of the global economy, has not yet recovered positive growth (though some countries are doing better than others); the U.S., despite partisan budget splits and unemployment seemingly stuck around 7%, is improving (with estimated GDP growth nearing 2.5% for the year); the developing world better yet (ca. 5.1% growth in 2013), while East Asia and the Pacific averaged an amazing 7.4% GDP growth rate. And once again, the chief driver was...
China, with 7.7% growth (East Asia excluding China’s growth averaged "only" 5.3%). Indeed, China contributed 29% of global GDP growth in 2013 (26% in 2012). True, China’s growth has slowed from the torrid double-digit rate it sustained for much of the past three decades, and East Asia’s contribution has diminished correspondingly (down from 7.5% growth in 2012). As growth (and market demand) in the rest of the world dwindles, Asian growth, particularly in East Asia, has gradually shifted from an export orientation to a more internally driven model: of half of Asian trade is now within Asia. This has, of course, been devoutly encouraged by the developed countries, striving as they are to overcome deep budget and balance of payments deficits.

Growing market integration has in turn facilitated collective efforts to institutionalize cooperation in a region that has experienced more than its share of discord. The first step was the formation in 1967 of the Association of Southeast Asian Nations (ASEAN), which has since become a fulcrum for further community-building: the ASEAN Regional Forum (ARF) in 1993; ASEAN Plus Three (China, Japan, and South Korea) in 1997; the 18-member East Asian Summit in 2005; and the China-ASEAN Free Trade Association (CAFTA) in 2010 (followed by analogous FTAs between ASEAN and Korea, Japan, the U.S., India, Australia-New Zealand, and the EU). An even more inclusive parallel track was initiated with the founding of the 21-member Asian Pacific Economic Cooperation (APEC) Forum in 1989. These efforts have culminated in two parallel movements toward a “higher quality” FTA, the Trans-Pacific Partnership (TPP), which includes the U.S. but excludes the PRC, and the Regional Comprehensive Economic Partnership (RCEP), which includes the PRC but excludes the U.S. Negotiations continue on both.

Graduation from economic to political/strategic cooperation followed more hesitantly, based not on a neofunctionalist logic of economic spillover (economics has generally been insulated from politics in Asia) but on the simple need to arrest strategic polarization. An ASEAN Defense Ministerial Meeting (ADMM Plus) was thus formed in Hanoi in 2010. ASEAN-China talks on the South China Sea dispute resulted in a non-binding Declaration on the Conduct of Parties in the South China Sea (DOC) in 2002, but discussions then bogged down over conflicting territorial claims, culminating in a China-ASEAN meeting in 2012 that adjourned sans communiqué. Yet, ASEAN and China finally agreed to resume “consultations” (not negotiations) this year, coinciding with PRC revival of its “smile” campaign with visits to several Southeast Asian countries by Premier Li Keqiang, President Xi Jinping, and Foreign Minister Wang Yi—and announcement of new investment deals. The first formal code of conduct (COC) talks thus convened on September 14–15, 2013, in Suzhou, Jiangsu Province, marking the first very tentative step toward multilateral agreement since 2002. Meanwhile, the big news at the APEC summit in Bali and the ensuing ASEAN summit in Brunei was the truce of Barack Obama, amid the American government shutdown over the debt crisis.

China’s strategic partnership with Russia remains solid despite myriad suspicions and hard bargaining over energy prices. Andrew Kuchins makes clear. Another favorable continuing trend (since 2008) has been détente across the Taiwan Strait—more localized but still crucial, stabilizing one of Asia’s perennial flashpoints. Most progress has been in the economic sphere, resulting in quick reactivation of respective informal negotiating proxies (the Straits Exchange Foundation for Taiwan and the Association for Relations across the Taiwan Strait for China). These reached agreement on “Three Links” (2008), an Economic Cooperation Framework Agreement (ECFA) in 2010, a service trade agreement signed in June 2013 (but still awaiting parliamentary approval), and in no less than 19 other cross-Strait agreements that have institutionalized commercial relations and stimulated more trade and investment and a large influx of Chinese tourists to Taiwan. Taipei in return availed itself of the opportunity to side with Beijing in the international arena, supporting China’s maritime territorial claims in principle in both the South China and the East China Seas, and condemning Abe Shinzo’s Yasukuni Shrine visit. As John Hsiue points out, however, stable and prosperous cross-Strait relations have neither vouchsafed Taiwan’s GDP growth (which at 17.7% was the lowest among the “Asian tigers”) nor translated into progress toward political reunification, in which Taiwan’s electorate has taken little interest, to Beijing’s dismay. Nor do improved ties seem to have bolstered the sponsoring Kuomintang regime’s electoral chances, as President Ma Ying-jeou’s approval ratings sank to 9.2% in September.

Halfway across the continent, a less fortunate constant, as related by Ahsan Ahmad, has been the implacable enmity of Bangladesh’s two political matriarchs, Sheikh Hasina, daughter of Bangladesh’s first president, current prime
and introducing "Trustpolitik" (a Germanic derivative of Ospolitik via Nordpolitik), offering support to the North contingent on acceptable behavior while at the same time promising to respond in kind to any further provocations. Trustpolitik was a challenge under the circumstances. Pyongyang launched a third nuclear test of a miniaturized and lighter nuclear device with a greater explosive force" in February against all outside advice to the contrary. U.N. sanctions promptly ensued that even Beijing promised to enforce, precipitating an unusually fierce outburst even for Pyongyang, threatening not only a "sea of fire" for Seoul but "preemptive defensive" nuclear strikes against New York and Los Angeles. Pyongyang declared the Korean Armistice no longer valid, warned foreigners to evacuate the peninsula, and shut down the last remnants of North-South cooperation at Kaesong Industrial Park. Yet, President Park remained unperturbed, holding successful summits in Washington, Moscow, and Beijing and even visiting Hanoi, painstakingly avoiding only Japan (for "historical" reasons). It seemed that young Kim Jong Un was no longer welcome in these capitals, even Beijing. Domestically, Park has taken on the chujeols, Korea's giant global conglomerates, a popular target: whether this results in any structural adjustment of Korea's dynamic industrial economy remains to be seen, but Park's ratings are up.

Kim Jong Un inherited supreme power in the Democratic People's Republic of Korea (DPRK) while still in his 20s, beneficiary of the untimely expiry of his father, and because of his youth and inexperience has been assumed to be acting as front man of a corporate leadership. This is however an assumption Kim has been at pains to deny, purging something like half his inherited higher apparatichiki since his inauguration, most spectacularly via the public humiliation and execution of his "closest senior advisor" and husband of his father's younger sister, Jang Sung-Taek. Hong Yong Lee aptly calls Kim's rule "almost schizophrenic," veering from reckless threats to a prosedulous willingness to negotiate, even to restart the Six-Party Talks "without preconditions," i.e., Pyongyang would refuse to discuss giving up its nuclear "deterrent," which is the only reason others want to talk. Yet, the wholesale purge of his father's colleagues indicates that young Kim has ambitions of his own. His "new strategic line" (pyongjin), he announced, is to give greater emphasis to economic reform while maintaining the military's top priority ("military first," as introduced by his father in the early 1990s). This seems to be a diplomatic way of shifting from military first to economics first,
as Lee observes. To this end, Kim seems to have begun to shift power from the Korean Workers' Army (KWA), a hard-line institution with no particular interest in civilian economic reform, back to the Party Politburo, also promoting a group of younger technocratic economic experts, the "Hanbukyongdo" brigade." His main reforms thus far have borrowed from China's Special Economic Zone experience. In the works are plans to set up no less than 16 special economic districts, each with its own functional specialization, inviting in foreign (but not South Korean) investment. While Beijing would appear to be Pyongyang's natural ally in its pursuit of a derivative reform model, the air is somewhat clouded by mutual suspicions: Beijing is displeased with Pyongyang's nuclear and diplomatic provocations, and for his part Kim has expressed concern about his country's asymmetrical economic dependence on the PRC, including the wholesale export of its subsurface mineral wealth at cut-rate prices.

Abe Shinzo, whose first outing as prime minister in 2006–07 was not a happy one, got a rare second chance in Japanese politics in fall 2012 thanks largely to the Democratic Party of Japan’s electoral implosion in the wake of its unfortunate mismanagement of the Fukushima disaster. The new Prime Minister Abe remained a right-wing nationalist but a more politic one (at least for the past year), according to Takashi Inoguchi, and he brought with him some radical new ideas to bring Japan "back," as he put it in his trip to Washington, D.C. Domestically, his plan to revive the Japanese economy from two decades of stagnation was called "Abenomics," consisting of "three arrows": first, a massive (US$200 billion) fiscal stimulus; second, a monetary policy of "quantitative easing" or aggressively increasing the money supply by having the Bank of Japan buy bonds, while setting negative interest rates aimed at boosting the inflation rate to 2%. The third arrow is structural reform aimed at increasing the competitiveness of the economy. By the end of the year, the first two "arrows" had resulted in an 8% devaluation of the yen (making Japan's exports more price competitive) and a 28% rise in the stock market index since Abe's election, while it appears that the GDP grew at its fastest pace since 1996 (i.e., ca. 2%). Yet, the government plans an 8% sales tax increase for 2014, and has yet to launch the "third arrow" of structural reform, which will bring it into confrontation with Japan's vested interests. Meanwhile, clearly challenged by China, specifically in its sovereignty claims to the Senkaku/Diaoyu islets in the East China Sea and more generally by its challenge to Japan's leadership position in Asia. Abe has responded with what Inoguchi terms "Abegopolitiques." This amounted to the first hike in Japan's defense budget in a decade and a frenetic round of visits to all those countries that feel themselves likewise threatened by China's rise (and claims to their EEZs) to offer Japan's support. While the jury is still out on Abenomics, the verdict on Abegopolitiques seems to have been more positive everywhere but China, at least until December 26, when Abe made an official visit to the Yasukuni Shrine, where 14 Class-A war criminals are enshrined, which appealed to no one outside (and not all within) Japan. Even there, Abe's headway toward constitutional revision permitting "collective defense" may well be impeded.

China's Xi Jinping, Abe's neighboring nemesis, faced a different set of challenges, to which Xi has responded with an oddly analogous set of policies: economic reform at home and self-assertion abroad. Both countries in the past year set up a National Security Council and have inaugurated new national security strategies. Xi took the reins after what was widely (if somewhat unfairly) dismissed as a decade of reform stagnation, actually a combination of very rapid GDP growth with growing popular dissatisfaction with the "externals" of that growth: environmental pollution, increasing inequality, asset bubbles, product liabilities, corruption, and over-indebted, predatory local governments. Thus, Xi's ascension was accompanied by high hopes for reform. Political reform is off the table for now—only Vietnam has been brave enough to blaze that trail since 1989, as Edmund Malecky insightfully illustrates. Xi prefers to focus on a "mass line campaign" (without much mass involvement) to rectify corruption and reassert strong Party leadership. Yet, a major package of economic reforms was introduced at the 12th National People's Congress in the spring and the 3rd Plenum of the 18th Congress in the fall, Thomas Heberer makes clear. These promise (somewhat vaguely) to loosen the household registration (hukou) system in rural areas to facilitate urbanization, liberalize industry by marketizing input prices (implicitly removing the subsidy to state-owned enterprises), improve the efficiency of investment by reforming the financial sector (allowing private banks and market-based interest rates), regulate shadow banking, and raise the minimum wage. But reforms go well beyond economics: the court, procuracy, and discipline inspection system is to be centralized in order to curb corruption more effectively; reeducation through labor (abbreviated laojian, this previously permitted police to detain suspects for up to four years without trial) was abolished; and conditional permission was granted
for families to have more than one child. The enforcement of these reforms is likely to be balanced against China’s declining economic growth rate, which they may be expected to decelerate somewhat, but success indicators are no longer to be exclusively GDP growth, which is harder and harder to achieve amid slowing export demand. The goals are now to focus on domestic consumption rather than blind fixed asset construction, greater emphasis on quality than quantity, lower pollution, and a better life for the Chinese people.

Xi Jinping rose to the top with strong military support, as attested by his immediate assumption of the chairmanship of the Central Military Commission. He earned this support not only by marrying a popular general or even by serving as a young man as aide to the PLA chief of staff, but by his articulation of the vision of a “China dream” that they can support. This dream has never been clearly defined, but seems to include ambitious maritime sovereignty claims (also known as “core interests”). Having finally concluded that China is a “major power”—of a “new type”—Beijing still seems a bit uncertain about the political implications of that status, as Thomas Fleherer astutely observes. One disconcerting interpretation is that China now models itself after the U.S., specifically the latter’s 1823 proclamation of a “Monroe Doctrine” making the Caribbean a de facto American lake. China claims around 80% of the South China Sea as defined by the nine-dash line inherited from the Republic of China in 1948 (parts or all of which are also claimed by five bordering Southeast Asian nations). In the East China Sea, it disputes Japan’s occupation since 1895 of the Senkaku/Diaoyu isles near Taiwan. This has led to a tense standoff complicated by the entry of the U.S. into the fray on behalf of China’s smaller rivals, based not on any territorial claims but on American defense alliances with two of the non-China claimants plus the principle of “freedom of navigation.” Xi’s patriotism has not flagged since his inauguration—and indeed, it has escalated to brinkmanship, most recently in the form of an arbitrarily announced Air Defense Identification Zone (ADIZ) in November overlapping the zones of Japan, Korea, and, of course, Taiwan, and by the subsequent proclamation of a decree forbidding fishing within China’s nine-dash Exclusive Economic Zone without permission, invoking penalties of a steep fine, confiscation of the catch, the crew, and the boat. These claims have not resulted in the desired deferential concessions but in big weapons purchases by other claimants and the quest for defensive alliance partners. China is not entirely unaware of its claims fly athwart those of its neighbors, a contradiction it has attempted to assure with friendship visits; lucrative infrastructure investment projects (high-speed rail, roads, pipelines, dams); and rhetorical “soft power”: China and Southeast Asia shall together forge a “community of common destiny,” Xi announced to the Indonesian legislature, also unveiling a scheme to build a “maritime Silk Road of the 21st century” expanding China-ASEAN trade to US$1 trillion by 2020. Still preferring bilateral negotiations, China has also rejoined talks with ALEAN to forge a binding COC for the South China Sea (as noted above). China’s neighbors can only support such gestures, finding themselves in economic relations with the giant to the north that are very much in their economic interest.

The forward march of democracy, some variant of which has been adopted by a majority of the states of South and Southeast Asia, has been less than perfect. Pakistan achieved its first completion of an elected civilian government’s full five-year term, and also was able for the first time to hold a former military ruler, Pervez Musharraf, legally accountable for his political actions, as Anas Malik observes. India is preparing for Lok Sabha elections next year in which two large coalitions will face each other, the United Progressive Alliance (UPA) led by the National Congress Party, and the National Democratic Alliance (NDA) led by the Bharatiya Janata Party (BJP). The NDA, quite likely fronted by long-time Gujarat Chief Minister Narendra Modi, seems to have an edge even if the 10-year incumbent Congress coalition runs Rahul Gandhi, dauphin of the Gandhi-Nehru dynasty and current party vice-president. But the rise of the Aam Aadmi (Common Man) Party, an anti-corruption flash party that emerged as the second-largest party in the Delhi legislative assembly election, winning 28 of the 70 seats and hence forming a minority government with conditional support from the Indian National Congress, may complicate coalition building whoever wins next year’s elections, according to Andrew Wyatt. Indonesia, we read in Geoffrey Gunn’s account, also looks forward to elections as Susilo Bambang Yudhoyono steps down, his likely successor the popular current mayor of Jakarta, Joko Widodo (“Jokowi”), running for Megawati Sukarnoputri’s PDI-P (Indonesia Democratic Party-Struggle). Even Afghanistan seems poised for a new election next April according to Vanda Felbab-Brown when (and if) term-limited President Hamid Karzai steps down, with the important proviso that the Taliban will no doubt attempt to kill all would-be voters.
All this is fairly normal politics. But an emerging trend is a kind of democratic fatigue, in which democracy is outright rejected by the “people” as inadequate. Take Bangladesh, where perpetual deadlock between the “two ladies” and their retinues may ultimately lead to one-party government. In Malaysia, the “black 11” (May 9) election between the eternal incumbent Barisan Nasional (BN) coalition and Pakatan Rakyat, Anwar Ibrahim’s loose rival coalition, ended in a BN parliamentary victory despite a minority of the popular vote. According to William Case this can be attributed to (a) a plurality electoral system with over-represented rural districts and (b) alleged massive electoral fraud. The results triggered mass protests of an invalid election. The protests may have had some contagion effect, as they were followed by mass protests in Cambodia, perceptively analyzed by Duncan McCargo, where the return of former Finance Minister Sam Rainsy and organization of a Cambodian National Rescue Party (CNRP) with widespread volunteer support resulted in an unexpectedly tight election narrowly won by Hun Sen’s incumbent Cambodian People’s Party. Again protests flared, and the CNRP has boycotted the new Parliament, leaving the seats it won empty. But Thailand provides the crowning example of democratic despair, as we read in James Ockey’s fascinating contribution. In November, the majority party Pheu Thai Party passed an amnesty bill in the lower house of the legislature that would have exonerated all offenses (on both sides of the barricades) committed during the 2010 demonstrations that unleashed a military crackdown that left around 90 people dead and resulted in a military coup. When it became clear that the beneficiaries would include former Prime Minister Thaksin Shinawatra, older brother of the current prime minister who had fled abroad following a corruption conviction, the Democrat Party mobilized opposition prompting Pheu Thai to withdraw the bill. But the demonstrations, led by former DP Member of Parliament and Deputy Prime Minister Suthep Thauguban, have continued and even escalated, now demanding the fall of the Yingluck cabinet. Prime Minister Yingluck has offered to resolve the dispute with new elections set for February 2, but the opposition, apparently convinced it cannot win even an honest election against the populist Thaksin machine, has threatened to boycott the polls, demanding instead a nonelective People’s Committee.

In sum, in Asia, 2013 was a year rife with paradox. The economic miracle continues amid growing inequality, corruption, and relative discontent. The region is ever more sharply divided by sovereignty disputes that seem to escape either multilateral or bilateral resolution, and yet it is economically integrated as never before. Dynamic new leaders have arisen with the charismatic gifts to unite their people against other people. The socialist dictatorships have proved extremely resilient and in some cases highly successful economically, still however struggling to make a decisive breakthrough toward the people’s democracy promised in their titles. The democracies continue to muddle through, in some cases however becoming impaled on apparently insoluble political dilemmas, evoking democratic despair.